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NEWS SUMMARY

GENERAL

Syria plans Jordan union

and Jordan yesterday ınced that they intend to ː a form of union and to p a committee to work out teps.

: plan is set out in a joint nent following a two-day to King Hussein of Jordan ıman by President Assad of

sident Assad and King ıin are understood to have ved unification of economic, tional, legal, telecommuniıs and customs service.

Beirut, President Sarkis Dr. Selim al Hoss, a 46-ld financial expert, to form ıinet.

Shadow Minister resigns

Alick Buchanan-Smith, w Scottish Secretary, ıed last night from the w Cabinet in protest at the ırvative Party's opposition e Government's devolution Back Page

licence may be £25

BBC, less in the red than d expected, is not likely to a higher colour TV licence han £25 next year, compared the present £18. The BBC s to end the financial year a deficit below £20m. as ıst predictions of up to ı. Back Page

Nato decides to buy AWACS

Defence Ministers meeting Brussels yesterday agreed in ciple to adopt the $2.4bn. orne Warning and Control ım, AWACS, the alliance's ıst single military expendi-. Britain said is was pre-ı to abandon an alternative ı on the Hawker Siddeley ıod. The U.S. pressed its ısiasm for bringing Spain Nato. Page 4

Death sentences ruling today

Irish Supreme Court to-day on the appeal against the sentences imposed six ıs ago on Noel and Marie ıy, aged 26 and 27, who convicted of the murder policeman during a bank ın September, 1975. Mr. Haydon, who succeeds the ınated Mr. Christopher -Biggs, took up his duties itish ambassador in Dublin ıday. Irish election forecast,

Date for Opec

Ministerial conference at the Organisation of Petro-Exporting Countries is to ː its 1977 oil price is to at Doha, Qatar, on Decem-ı as scheduled. Back Page

North Sea death

ıne driver died and four were injured yesterday in ıdent on the Thistle A oil-production platform, the ıt steel platform in the Sea.

Briefly . . .

ıiner was killed and two injured yesterday when a of earth tremors rocked the ıining town of Welkom in Africa. Pages 6 and 23

Harry Edwards, the faith ı, has died. He was 83.

ıg Hill carnival, marred ıar by rioting and looting, ıake place next year, its ısers said.

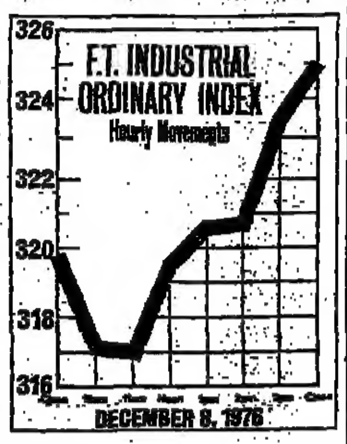
ırt Furgler, Swiss Justice ıer, has been elected ıent of Switzerland.

ısters in Peking are ıding death of 10,000 ıents of Chairman Hua. under Hua, Page 6

BUSINESS

Equities firm; gilts mixed

● EQUITIES were firm and turnover increased. The FT 30-share index rose 5.2 to 325.0



while the All-Share was 1.3 per cent. up at 138.83.

● GILTS were mixed. While shorts improved longs closed with losses ranging to ¼. The Government Securities index was 0.05 lower at 58.51.

● STERLING was unchanged at $1.6715; its weighted depreciation widened to 44.7 (44.6) per cent. The dollar's widened to 0.31 (0.23).

● GOLD gained $2 to $136¼.

● WALL STREET was down 1.50 at 959.19 near the close.

● MLR REDUCTION would not be welcomed to-morrow, the authorities signalled for the second consecutive day by forcing the discount houses to borrow a moderate amount at MLR for seven days.

'No intervention' on mortgages

● THE GOVERNMENT is unlikely to intervene if the building societies make steep increases in the mortgage rate early next year, Mr. Peter Shore, Environment Secretary, indicated. Page 13

● STOCK EXCHANGE Council has decided to shelve the £1m. scheme which it approved in principle in the summer for a traded share options market in London. Back Page

● NORTH SEA oil could benefit Britain's balance of payments by more than £50bn. over the next decade, according to stockbrokers Hoare Govett. Page 7

● FRESH DISPUTE at Rubery Owen's components factory at Darlaston in Staffordshire threatens to impede the planned return of several thousand Rubery to work Owen and British Leyland workers. Page 8

● AIRLINE Users' Committee claims the present structure of European fares is so complex many passengers are overcharged. It recommends a simplified set of rates. Back Page

● JAPANESE industrial production recovery is slowing down, says the Bank of Japan. Japanese companies are being deterred from investing in Britain by exaggerated reports of labour problems, claimed the chairman of BSC (Industry). Page 6

● CREUSOT-LOIRE and Alsthom-Atlantique, the two most important groups in the French power engineering field, have agreed to co-operate across the range of their activities in the energy sector. Page 24

COMPANIES

● GENERAL ELECTRIC Company first-half pre-tax profit rose to £119.5m. (£87.2m.) on increased sales of £963m. (£791m.). Page 21 and Lex

● PILKINGTON Brothers' first-half pre-tax profit rose to £27.63m. (£8.95m.). Page 21 and Lex

● HANSON TRUST pre-tax profit for the year to September 30 rose to £19.2m. (£12.13m.) on increased turnover of £322.16m. (£75.67m.). Page 21

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated.)

RISES

Treasury 11½pc 1981	£91⅞	+ ⅜
Albright and Wilson	80	+ 5
A. P. Cement	132	+ 6
...am	362	+ 6
...	65	+ 9
Steam Spctls.	55	+ 5
(A.)	150	+ 15
...on Bros.	153	+ 13
...n (R.)	117	+ 5
"A"	225	+ 19
...	239	+ 12
...	165	+ 17
'A"	155	+ 4
...	254	+ 8
M.)	86	+ 10
...er Siddeley	409	+ 7
...g Gibson	152	+ 5
...Cont. Gas	308	+ 8
Lease	132	+ 12
Lucas Inds.	191	+ 5
Racal Elect.	230	+ 13
Redfearn Nat. Glass	80	+ 5
Scot. & Universal Iv.	69	+ 5
Seccombe, Mshl. Cpn.	230	+ 20
Thorn Elect. "A"	168	+ 8
United Biscuits	121	+ 9
Wagon Inds.	82	+ 4
Shell Transport	428	+ 8
Tricentrol	83	+ 3
Ayer Hitam	350	+ 15
MIM	206	+ 6
Pancontinental	809	+ 75
Peko-Wallsend	360	+ 20

FALLS

Allen (E.) Balfour	45	− 4
Armitage Shanks	35½	− 5½
Phoenix Assurance	170	− 4
Pilkington	271	− 5
Sunley (B.)	84	− 4
Northgate Expln.	350	− 20
Welkom	178	− 7

EEC declares steel industry is in a state of crisis

BY DAVID BUCHAN Brussels, December 8

The EEC Commission to-day announced that it considers the European steel industry to be in a state of crisis, and therefore the plan produced by M. Henri Simonet, EEC Commissioner for Steel, which aims to raise prices and profitability by getting companies to restrict voluntarily their sales within the Community, should go into effect on January 1.

But it also became clear to-day that the time-table for the Simonet plan has slipped. Exactly what sales reductions companies will be expected to make next year is not to be made publicly known by M. Simonet until December 20 after the European Coal and Steel Committee has been consulted on December 16.

It had been expected that most of the details would come out at a Press conference by M. Simonet which had been long set for to-morrow but which was to-day abruptly cancelled.

A fortnight ago, the Commission accepted the Simonet plan as the right anti-crisis measure in principle, and a week ago it approved M. Simonet's forecast that EEC production would remain fairly static in the first quarter of next year at 32.82m. tonnes of crude steel, while demand would fall further to 29.65m. tonnes.

It is this growing gap between production and demand that is the premise for the Simonet plan. To-morrow's cancelled Press conference is not unconnected with the fact that the further M. Simonet has gone towards bringing his plan to fruition, the more trouble he has run into.

The latest obstacle is West German complaints, conveyed to M. Simonet this week, that British and Italian steelmakers are being asked to make much smaller reductions than themselves.

According to the figures presented to the Germans, they themselves would take cuts in some sectors of up to 33 per cent., while British companies would only make 16 per cent reductions and the Italians under 10 per cent.

Commission officials point out that comparisons between the German and British quotas for 1977 are difficult because in the base period of early 1974 the German steel industry was doing much better than the British industry. As for the Italians, it is argued in Brussels that because they make only some of the six finished products covered by the Simonet plan they should be given a better deal in the products they do make.

It is also understood here that the German steel industry—knowing M. Simonet's desire to get his plan off the ground before he returns to Belgian politics at the turn of the year—is trying to persuade the Commission to give some official and permanent recognition to the Benelux grouping of steel producers.

The announcement in the summer of this grouping (between German, Luxembourg, Dutch and Flemish steel producers) was one of the factors that galvanised the Commission into action on a new set of EEC-wide measures to deal with the current recession.

The Brussels view is that the Germans are trying to have their cake and eat it—getting their EEC competitors to cut sales in other parts of the Community while trying to get Commission approval of their own separate arrangements. What is clear is that the process of obtaining agreement on the details of the Simonet plan is proving extremely difficult, and that administering the plan next year may cause greater problems.

● Leading steelmakers in the EEC are expected to announce in Amsterdam to-morrow the formation of their new confederation, Eurofer, to replace the Club des Sidérurgistes. Eurofer will play an important role in handling the industry's relations with the European Commission, particularly in connection with the Simonet plan.

The decline of free trade in steel Page 6

J. Lyons sells off £23m to cut borrowings

BY KEITH LEWIS

J. LYONS is to sell some of its trading interests, including the Wimpy franchise in the U.K., for £23.5m. in order to reduce the group's heavy borrowings.

United Biscuits is to acquire from Lyons, in exchange for 6,572,770 of its own shares, the business of franchising and supplying the Wimpy, Golden Egg and Bakentake outlets in this country. Morgan Grenfell merchant bankers have arranged to place the shares in the market to raise £7m. in cash.

United Biscuits, which has also been given the option to acquire "for a nominal consideration" the similar European operation within the next six months, already operates a Wimpy franchise through its D. S. Crawford subsidiary. United expects that the performance and image of the Wimpy franchise operation can be substantially developed and that the acquisition will provide a base for expansion in the franchise side of fast food operations.

In a second transaction, Lyons has agreed to sell its Tetley Incorporated subsidiary to Liggett Incorporated, the American tobacco, wines, spirits and pet foods group, for $27m. (£16½m.). The sale involves only the U.S. side of Tetley which manufactures and markets in the U.S. Tetley Brand Tea Products and coffee products under the Martinson, Bustelo (Expresso)

Lex Back Page
Troubles in the Lyons den Page 20

and Mr. Automatic brand names. The U.K. Tetley business is retained by Lyons.

The two deals follow the sale at the beginning of last month of 35 of the J. Lyons hotels to Trust Houses Forte for £27.6m. Total disposals now amount to more than £51m. This compares with a figure of £50m. which outsiders were predicting would be necessary to alleviate Lyons' overstretched financial situation. The shares closed 1p firmer last night at 50p.

The last balance sheet, for the year ending March 26, 1976, showed total debt of about £240m. of which a large proportion was foreign borrowings.

An up-to-date statement on Lyons's financial situation is expected to accompany the interim announcement to-day. Balance sheet details will be included.

The sale of the Wimpy business, which has been operated by Lyons since 1955, is likely to result in a loss of turnover and profits of £6.1m. and £1.4b. respectively on an historic basis. The book value of the assets is put at £1.3m.

After the proposed issue of shares in the acquisition, United Biscuits is taking the opportunity to raise its dividend from 1.414p to 2.6866p.

In 1975, sales of Tetley Inc. were $77m., which compares with annual sales of $813m. by Liggett. The profitability of Tetley Inc. has not been revealed.

Bank fringe benefit cuts urged by committee of MPs

BY MICHAEL BLANDEN

CUTS IN the fringe benefits enjoyed by staff of the Bank of England are suggested in a report by a Select Committee of MPs published yesterday.

The report recognises that the benefits provided are in line with those offered in the private banking sector, and in some areas are less.

But it argues that in the present stringent financial climate, with increasing mortgage rates and wage restrictions, the time has come to bring these benefits "more into line with those charges which the public at large have to bear."

The suggestion is the most controversial point in a report otherwise generally very favourable to the Bank. In a detailed exploration of staff benefits, it is made clear that they include cheap mortgages at 2½ and 2 per cent., loans for school fees, and interest-free advances to buy season tickets for travel to work.

The Bank is expected to consider the issue along with other points raised by the report. But the initial reaction yesterday suggested that staff organisations would resist proposals to reduce the benefits.

Other questions raised by the Select Committee on Nationalised Industries include criticism of the duplication of economic forecasting between the Bank and the Treasury, with the suggestion that effort and money could be saved by using only a single forecasting model.

"We feel that a better purpose might be served if the Treasury devoted some of its effort to obviating the gross errors in macro-economic assumptions that appear to find their way into public sector budgets," the report adds.

The report is the second on the Bank produced by the committee, and generally underlines the high regard in which the Bank is held by the banking

Editorial comment Page 18
Details of report Page 11

community and the City markets.

The committee, under the chairmanship of Sir Donald Kaberry, concludes: "Within the restricted area of our terms of reference, we have few, if any, faults to find with the way in which the Bank discharges its responsibilities and manages its own affairs."

The committee makes it clear, however, that it has been prevented by its terms of reference from expressing views on major areas of policy, including monetary and exchange rate policy and the implementation of exchange controls.

These are subjects, the report emphasises, where, while the Bank may give advice, it is the Government which carries the responsibility for decisions.

"Much of the criticism commonly levelled against the Bank of England is emotive and uninformed," the committee comments.

The report stresses that "the Bank cannot be held responsible for such matters as the decline in the value of the pound, or whether the Bank does or does not intervene in support of sterling—except in so far as it advises the Government in these matters."

The committee has taken evidence on these areas of operation, and in relation specifically to possible breaches and evasion of exchange control regulations, accepts that any losses would be an "insignificant proportion" of the total transactions.

Referring to present investigations, the committee comments: "The Bank appears to have been alert and energetic and to have acted with propriety."

The committee emphasised, however, that in important areas of policy, it is the Government which must be accountable to Parliament and not the Bank.

It suggests that if MPs felt there was inadequate opportunity to scrutinise the monetary and financial policies implemented by the Bank, they could appoint a select committee specifically for this task.

$ in New York

—	Dec. 7	Previous
Spot	$1.6571-6580	$1.6510-6520
1 month	1.87-1.83 dis	1.72-1.69 dis
3 months	4.56-4.51 dis	4.54-4.50 dis
12 months	13.55-12.75 dis	12.85-12.75 dis

Cabinet nears end of IMF loan talks

By Peter Riddell, Economics Correspondent

THE Cabinet is expected almost to complete this morning its lengthy discussions on the forthcoming economic package and the terms of the $3.9bn. loan from the International Monetary Fund. But the international meeting needed to raise the money now will definitely not be held until after the British statement in the middle of next week.

It is clear that the Cabinet has reached at least provisional agreement on not only the broad orders of magnitude but also the distribution of the public spending cuts and other measures. Treasury officials yesterday were working on a final paper setting out implications of the decisions and detailed figures on monetary aggregates and the public sector borrowing requirement.

The IMF negotiating team under Mr. Alan Whittome will remain in London until the letter of application has been fully drawn up and consultations have been completed.

It was emphasised in Whitehall yesterday that the main issues had been resolved but some important points have to be sorted out, possibly including a final decision on the sale of part of the Government's stake in British Petroleum.

The main part of hte reduction in the public sector borrowing requirement will come from public spending cuts and among proposals known to have been put forward to the Cabinet are a change in hte method of uprating social security benefits, a reduction in housing subsidies and a postponement of certain public sector construction projects.

Not clear

It is not clear how far Mr. Denis Healey, Chancellor, will be able to go in his statement next week about the IMF talks—whether he will be able to say agreement has been reached in principle with the Fund's staff or that proposals are being put by Dr. Johannes Witteveen, IMF managing director, to the Fund's executive board.

The Group of Ten industrialised countries is expected to meetin Paris either at the end of next week or early the following week to activate the General Arrangements to Borrow to provide the money for the loan. The IMF executive board is not likely to meet until the week after Christmas finaly to approve the loan.

Cutting public expenditure, Page 18
Economic viewpoint, Page 19

Talk on Iran defence deals next week

BY ROBERT GRAHAM TEHRAN, Dec. 8.

NEGOTIATIONS on outstanding British defence contracts with Iran will be resumed here early next week at the highest official level. The talks are aimed at resolving differences between the two countires over payments for military equipment, projects and services.

Mr. Ron Ellis, the recently appointed chief of overseas sales at the U.K. Ministry of Defence, is exepcted to arrive here on Sunday. A mission from Millbank Technical Services, a Crown Agents subsidiary which is used by the Government as the supervising agent in a number of military contracts with foreign Governments, is believed to be here already.

At the centre of the continuing negotiations is Iran's pressure on Britain to switch the basis of sales from cash and credit to oil barter agreements—a method of payment that Iran would like to see extended to civilian projects, too.

Report due

High on the agenda will be the future of the ordnance factory near Isfahan, which Iran's Ministry of Defence put on a care and maintenance basis three months ago.

This is being constructed by a consortium of Laing and Wimpey under the aegis of Millbank Technical Services and is the biggest since contract being undertaken by U.K. contractors in the Middle East.

The contract in its present form would cost about £770m.—almost double the initial estimates.

An inquiry is now being carried out into expenditure to date and the country's real needs for a sophisticated ordnance complex.

Coopers and Lybrand, the accountancy firm, has been engaged to carry out the financial investigation. Its report is due to be presented to General Toufanian, Vice-Minister of War and the man responsible for defence procurement, within the next 10 days. The belief is that the Iranians still want the complex, but that the project will be reduced in size.

The project was conceived three years ago when the Iranian Defence Ministry believed it had virtually unlimited funds. Unofficial estimates are that the projected cost may be lowered to between £450m. and £550m. (of which £350m. would be exports from Britain).

This deal is the one the Iranians are most anxious to switch from a cash and credit basis to a crude oil barter arrangement similar to that involving 16 British Aircraft Corporation and Shell. Three weeks ago BAC finalised an oil supply arrangement with Shell and the Iranian Government in return for the tracked Rapier missile.

Financing the Isfahan plant in this way would be an infinitely more complex business. First, the parties would have to negotiate with numerous subcontractors that are not British and secondly the amount of local expenditure in Iranian riyals (about 15 per cent. of the total) would have to be deducted. Thirdly, British Petroleum and Shell are clearly relutant to commit themselves to receiving the volumes of incremental oil over a long time period, even if there is a price discount involved.

At the same time, Mr. Ellis is expected to discuss other crude oil purchase arrangements against the supply of arms. These will include:

1—110 Scorpion light tanks — Iran's desire to purchase these was reported in the Financial Times in August. The Shah already has 250.

2—Four 8,000-ton supply ships from Yarrow shipbuilders worth about £80m.

Continued on Back Page

For latest Share Index 'phone 01-246 8026

LOMBARD

The value of information

BY JOE ROGALY

THE MOST important single reason why the Government should pursue with the utmost vigour its efforts to instil a hard academic curriculum into our schools is that knowledge may be the most valuable commodity that a Western country can offer its customers. These things are not easily measured, but it does seem that the latest brainpower of British society has not made itself conspicuous in recent years. Our brilliant exceptions are outstanding; for the rest we do not appear to be very bright.

To appreciate why this matters so very much more than even the most traditional exponents of rigorous education have supposed it is necessary to look across the Atlantic at recent and current theories about the "information society." It is not necessary to swallow any such theory whole; a moment's thought will make it plain that even if everything they say may not be true, there is a good deal in it.

Smarter

One may start with F. Machlup's estimate that the production and distribution of knowledge accounted for 29 per cent. of the U.S.'s Gross National Product in 1958, and that the associated industries were then expanding at a rate of more than 10 per cent. a year. Then P. Drucker suggested that knowledge rather than capital had become the foundation of the economy: D. Bell, with his "post-industrial" society, has helped to spread the idea that knowledge is now the major factor in new economic growth and social change.

I have taken this list from an article in the December 1976 issue of "Telecommunications Policy," in which Professor Edwin B. Parker, of the Institute for Communication Research, Stanford University, California, sets out the notion of an "information society" and discusses its social implications. "Future economic growth," says Professor Parker, "must be planned with more severe constraints on increases in energy consumption and consumption of non-renewable resources. It will depend on 'working smarter' rather than 'working harder.'"

This kind of thinking can be developed with some facility. "In the industrial age," the professor says, "man was able to use his information-processing power to design machines that greatly augmented his physical capacity . . . In the approaching information age, the characteristic machine is one that processes information augmenting not human physical energy but human information processing." That would not consume much in the way of physical energy or commodities; hence "unlimited economic growth is theoretically possible even though a steady zero-growth state is reached with respect to energy and materials."

Such theorising looks less unreal in America, and particularly in California, than it may do over here. One M. Porat has produced a PHD dissertation at Professor Parker's institute that adds up the income of workers in the "information sector" of the U.S. economy. His table includes teachers, broadcasters, scientific and technical workers, market researchers, people in computers, and telecommunications workers. Some of these make machines, some operate them, most work with the information produced by them. The Porat total comes to 53.5 per cent. of all civilian income from employment in America: even if you say that in some of his categories he is apparently stretching the definitions a bit it seems reasonable to accept that services and industries associated with information now constitute a major portion of U.S. economic activity.

Professor Parker makes a definite distinction between the information sector and the service sector of the U.S. economy; to him the former has now superseded the latter just as services overtook industry after industry had overtaken agriculture. The rapid increase in the diversity and uses of information technology supports the distinction; so do the several special economic characteristics of information—such as: this is a commodity that is retained by the seller even when the buyer has taken possession.

At a premium

If this is the trend of Western developed economies, we in Britain should think long and hard. The Prime Minister and Mrs. Shirley Williams have made a commendable start in turning the attention of teachers to their collective failure to prepare the coming generation for a world in which information and the ability to produce it will be at a premium, but even they seem to be behind Stanford's thinking, since the avowed purpose of better schooling in Britain is merely improved performance in productive industry.

That is a worthy aim, but what counts even more is the production of that which sells. It may be cars, although as a nation we no longer seem to be very good at that; it is more likely to be brainpower, and the gadgetry that goes with its enhancement. We have much catching up to do.

SALEROOM BY ANTONY THORNCROFT

£110,000 paid for Canaletto

This Canaletto view of London sold for £110,000 at Sotheby's yesterday.

LONDON DEALERS were busy at Sotheby's main winter sale of Old Master paintings yesterday. Baskett and Day paid £110,000 (plus the 10 per cent. buyers' premium) for an attractive Canaletto view of London—Whitehall and Westminster seen from the terrace of Somerset House, probably painted in 1750. The picture was sent for sale by the Duke of Hamilton. The price was on target.

Fran Post's Brazilian scenes are much in demand, so the price of £60,000 from Richard Green for a 1664 landscape showing the ruins of the town of Olinda was as expected. A comparatively better price was the £42,000 paid for *Winter*, a typical work by Pieter Brueghel the Younger, full of people and incident. It had been forecast at £20,000-£25,000.

Another excellent price was the £40,000 from Agnew for a pair of pictures by Jean-Baptiste Pater of troops before a tavern and breaking camp. They had been estimated at £25,000-£30,000. A pair of paintings by Davide Ghirlandaio, on the Story of Joseph, also did well at £38,000 and established an auction record for the artist. Another record was the £35,000 from Koester, the London dealers, for a shipping scene by Hendrik Dubbels. This was expected to go for just £4,000-£6,000.

Although the sale went well, with a total of £1,139,950, a couple of important pictures failed to sell. A still life by Van de Ast and a river landscape by Salomon van Ruysdael were bought in below their £50,000 forecasts.

There were a couple of good prices at other Sotheby's auctions. Among printed books, which totalled £54,415, an Italian dealer gave £5,700 for a first edition of the Nuremberg Chronicle published in 1493. At Sotheby's Belgravia saleroom Continental furniture made £53,419 with a top price of £3,500 from Emanouel for a pair of giltwood console tables made in Florence in the late 19th century.

There were three successful sales at Christies' yesterday—Old Master drawings, clocks and scientific instruments, and arms and sporting guns. There were some exceptional prices among the drawings, most notably the £12,000 from Boerner, a German dealer, for a black chalk drawing by Francois Boucher of Diana and Callisto. It had been forecast at £3,000-£5,000.

A drawing by Jean Louis Desprez of the Chinese Pavilion of Queen Louisa Ulrika at Drottninghalm went for £7,000, more than double the forecast. A study of artists by Louis Leopold Boilly sold to Hazlitt, Gooden and Fox for £5,500. They also acquired another Boilly drawing of a Punch and Judy show for £4,000. The auction totalled £100,710.

The best price among the clocks was the £1,400 from Banham for a 1700 walnut stick barometer. A mahogany long-case clock by Thomas Cook sold for £1,350. In the third sale a pair of sidelock ejector guns by Boss went for £5,800 and a pair by Holland and Holland for £5,500. A late 16th century German flintlock gun made £1,600, a 19th century left hand dagger £1,000 and an English medieval two-hand sword £1,000.

The highest price at the Glendining coin sale was £5,000 for a Charles I gold coin minted at Oxford. The auction totalled £52,760. At Phillips a Tabriz carpet was bought by Vigo for £5,000. A French secretaire made £2,900.

RACING BY DARE WIGAN

A worthwhile journey?

IT IS, perhaps, significant that Martin Blackshaw, an accomplished rider over hurdles, travels over from Chantilly, where he is based, to ride two horses for his father, Harry, at Ayr this afternoon. One of these is Fair People in the Skeldon Handicap Hurdle (1.45), and it may be that the journey will prove to be worthwhile.

At any rate, *Fair People* has run on gamely to win her last two races, at Kelson on November 10, and at Newcastle nine days later; and, since the Kelso race was over 3 miles 1½ furlongs, there is no doubting her ability to stay to-day's distance of 2½ miles.

Elie Marine, also trained by H. Blackshaw, and ridden by his son, Martin, will no doubt go well in the Glaisnock Novices' Hurdle (2.15), and I may well be wrong in preferring "Mick" Easterby's Rudy Sam, who made good late headway when finishing third behind the gambled-on Dave's Equal at Wetherby last month.

Tony Dickinson, whose select and powerful stable at Gisburn, near Clitheroe, Lancs., is now running into form, has sent *Tommy Joe* for the Marchburn Novices Chase (2.45) and *In Chancery* for the Braehead Maiden Hurdle (3.15), both of them with winning prospects.

Indeed, I do not oppose either though Newfoundland, a useful staying hurdler, has shaped sufficiently well in his three races over fences to suggest that he may give *Tommy Joe* something to think about.

Earlier in the afternoon, *Sounds Good* may be up to hunting top weight of 12 st. 7 lbs. to success in the Old Toll Opportunity Handicap Hurdle (12.45). And *Lucius*, a good type of gelding, trained by Gordon Richards at Penrith, Cumberland, strikes me as having a first-rate chance in the Holmston Handicap Chase (1.15), for he was by no means disgraced when coming south and finishing third to Banlieu and Brawny Scot at Newbury early last month. My only reservation about him is that with temperatures at Carlyle below those at Moscow, he may be short of peak fitness.

With to-day's meeting at Taunton abandoned, owing to the course being waterlogged, to-morrow's racing would seem to depend on the weather. There is to be an inspection of the course at Newbury at 11 o'clock this morning, and at Newcastle at 3.0 p.m.

AYR

12.45—Sounds Good
1.15—Lucius
1.45—Fair People*
2.15—Ruddy Sam
2.45—Tommy Joe**
3.15—In Chancery***

MASTERS TENNIS BY JOHN BARRETT

Orantes profits from his persistence

America's Roscoe Tanner.

HOUSTON, Dec. 8.

AS THE PACE quickens in tennis's last major showpiece of the year, the $130,000 Commercial Union Masters, chinks are beginning to appear in the armour of some of the season's most successful players.

Raul Ramirez, the 23-year-old Mexican who headed the Grand Prix tables in singles and doubles and had earned more than $475,000 on the court this year before the Masters had begun, was strangely subdued last night and sustained a second loss in the round robin section. He was decisively beaten 6—2, 6—2 in only 57 minutes by the seventh-ranked American, Harold Solomon, the persistent little double-hander who was fifth in

This was a third consecutive victory for Solomon over Ramirez this year and the seventh win in the nine matches they have played since they first met in a Davis Cup rubber in Mexico City back in 1973.

Solomon now has two wins (he beat Gottfried on Sunday) and will proceed to the semi-finals from the blue group on superior average, even if he should lose his last match to-night to Guillermo Vilas. But the Argentine left-hander, with a loss against Gottfried himself on Monday, will have to await the outcome of to-night's events before he will know whether this fast improving young man from Miami, who plays Ramirez this evening, will squeeze him out.

The white group situation is less confused. By virtue of a clear cut 7—6, 6—3 win last night against Roscoe Tanner (U.S.) Manuel Orantes, the popular Spanish left-hander, at 27 is the oldest of the competitors, reached the semi-finals for the first time in five consecutive Masters appearances.

He will be joined there by newcomer Wojtek Fibak of Poland, 24, who gave a tactical lesson and a 6—2, 6—4 defeat to U.S. No. 5 Eddie Dibbs. This was a repeat of a victory Fibak scored at Wembley two weeks ago, and brings these two players level in their meetings this year.

When Fibak had lost to Dibbs 7—6, 5—7, 6—3, 6—4 in the French Open in May, he had built leads in every set he lost, which helped to explain his anxiety here last night. Even when he led 6—2, 4—1 he appeared nervous and promptly lost two service games as Dibbs found some accurate passing shots.

"I was not sure I had won until I heard the umpire call my name," said Fibak afterwards. "I never feel safe against Dibbs, whatever the score."

Although Orantes won yesterday, he is not yet timing the ball as well as he can. Against Tanner he improved after a tentative start. The match opened with three breaks of service, indicating the tension both men felt, but even though Tanner boomed some heavy ground strokes to pull back in the eighth game he was getting less than half his big first serves in and made no impression on the Spaniard in the tie-break.

Orantes shot off to a 4—0 lead, went to 5—2 and 6—3 with two back-hand winners and delivered one of his best first serves on his second match point at 6—4 to force a back-hand error from Tanner for the match. Thus in one hour and 19 minutes Orantes has achieved an ambition.

He said yesterday that he considered the Masters every bit as important as any of the major championships, and was clearly delighted that after trying for so long he now has a chance to add this title to the long list of successes that he has already picked up.

Tyre breakwaters 'can beat North Sea weather'

BY PETER CARTWRIGHT

USED TYRES made into breakwaters are the latest idea for calming the turbulent North Sea and enabling oil production to continue in bad weather.

This solution to a formidable problem has been developed by Glasgow's University's department of naval architecture and ocean engineering.

It was disclosed at a conference on Oil in Deeper Waters organised in Birmingham yesterday by the Financial Times in conjunction with Petroleum Times, the Society for Underwater Technology, the Institute of Petroleum and Ocean Energy.

The conference is being held at the same time as a related exhibition at the National Exhibition Centre, Birmingham.

The tyres are strung together in rows of various patterns to form a wholly or partly enclosed floating breakwater. There are extra tyres at strategic points to act as keels and help keep the structure vertical, although air trapped in the top of the tyres also does as it keeps them afloat.

Buoyancy tests

Original work at Glasgow University, using tyres from ash trays for scale experiments, was done by Prof. A. Kowalski of Rhode Island University in the U.S. It was chiefly for close-shore applications, but the system has been further developed for offshore work.

Prof. Douglas Faulkner, of the ocean engineering department at Glasgow University, told the conference that the system had survived buoyancy tests off the east coast of America in hurricanes. The breakwaters had, of course, to be towed out to sites, requiring appropriate drag lines, and then moored. This was relatively easy because waves passed through the tyres.

Used tyre breakwaters could facilitate operations in which small support ships, diving bells and semi-submersible structures were involved and, significantly, appreciably reduce down time. Systems using up to 200 feet lengths had been designed for the Western Isles and the Nigg oilfield.

Negotiations with several potential customers were going on, but the first commercial sale had still to be made. Marketing is through Mercury Marine, of East Kilbride, Glasgow.

FINANCIAL TIMES
OIL IN DEEPER WATERS
CONFERENCE

Professor Faulkner made his contribution at a morning session, which concentrated on technical aspects of operations, including remote TV inspection, pipe-joining systems and what are called one-atmosphere systems, in which normal room conditions are preserved down to the sea-bed.

The quicker exploitation of oil and gas wells to reach profitability more rapidly is a major problem for oil companies.

Mr. John Hopkins, a senior vice-president of Lockheed Petroleum Services (U.S. Region), outlined various systems using surface vessels or moored semi-submersible in use moored semi-submersible instead of platforms anchored to the sea-bed.

A semi-submersible in use at the Argyll Field, where there are four wells in 240 feet of water, has made it one of the most profitable sites in the North Sea, with a reported 60 per cent. return on investment.

Semi-submersibles are connected to the well, or wells, by an "umbilical cord" enclosing a number of pipes for oil and gas extraction and related operations. After the oil and gas have been brought to the surface they are separated — and generally pumped back again and then along the sea-bed to another station before being pumped up to a container ship.

Systems with a capability of 2,000 feet are expected to be available in 1978.

Steep increases

Mr. Hopkins said the cost of about £600,000 for the main "umbilical" system might well be recoverable in the time it took to get a platform into operation through the quicker generation of revenue.

On the other hand he recognised there were counter arguments in favour of platforms used by those who foresaw steep increases in oil prices — perhaps from $10-$12 per barrel to $20 a barrel.

Mr. Hopkins' predeliction for semi-submersible solutions appeared to be echoed by Dr. A. W. Pearce, chairman of Esso Petroleum. He said serious consideration was being given to them for future field development.

It was possible that the Cormorant extension, about which a firm announcement could be expected some time next year, "might not be an orthodox platform."

There seemed to be powerful support for the further development of more flexible systems that, for instance, avoided the danger when platforms are moved of hitting the sea-bed. "Two or three feet clearance is a very small tolerance," Dr. Pearce commented.

Laing forges Texas link for pipelines deal

BY RAY DAFTER, ENERGY CORRESPONDENT

JOHN LAING Construction has formed an association with Texas Eastern Engineering with a view to bidding for work on the proposed £2bn. gas gathering pipeline system in the North Sea.

The Government is studying a scheme to link various offshore gas reservoirs with the British Gas Corporation's supply system.

An announcement about formation of a company to examine further the feasibility and design of the system is though to be imminent.

British Gas and the British National Oil Corporation are likely to be members of the new company, which might eventually oversee the building and operation of the pipeline network. Private industry is also being invited to invest in the project: already a good deal of interest has been created among offshore companies.

Laing and Texas Eastern are among the first to make public their intentions. Laing said yesterday that the continuing development of North Sea oil resources, with the attendant flaring or re-injection of associated gas made essential a speedy a decision as possible.

It is fet within government and the State corporations that it could be 1982 or 1983 before the skeleton of the system is on stream, however.

Both Laing and Texas Eastern have played substantial roles in the development of North Sea oil and gas. Laing has been concerned with the construction of 650 miles of oil, and gas lines in the U.K. and has built the gas compressor station at Kirriemuir, Angus.

The Graythrop Yard of Laing Offshore has built steel platform structures for BP's Forties Field and BNOC's Thistle Field, although the yard has been temporarily closed through shortage of orders.

Texas Eastern, which is involved in both oil and gas production in the North Sea, has been responsible for the design and construction of more than 12,000 miles of high pressure natural gas pipelines in the U.S. and other producing areas.

Violent crime rate slows

A SLOWING in the rate of violent crime in the third quarter of 1976 was reported yesterday by the Home Office. Although crimes of violence against the person and of criminal damage continued to rise compared with last year, the increases were smaller than during the first two quarters of the year.

The number of indictable offences recorded as known to the police in England and Wales during the third quarter was 529,000 compared with 520,000 in the same period last year.

For the second quarter running the number of burglaries fell compared with last year and there was a marked decrease in this offence in all metropolitan counties except London.

The number of sex offences dropped by 10 per cent. from 7,000 to 6,300.

Christmas and New Year rail services

NO TRAINS will run in England and Wales on Christmas Day, while there will be only a scattering of services between London and the channel ports on Boxing Day to connect with ships and hovercraft.

In Scotland, there will be only limited services on both days on Glasgow suburban lines.

To cater for thousands of additional holiday travellers, however, British Rail announced that it would run more than 500 extra trains during the Christmas and New Year period.

British Rail estimate that the virtual shut-down on December 25 and 26 will save about £750,000 in operating costs.

Many cheap tickets, like economy and week-end returns, are being suspended between December 21 and 30.

Overnight trains on Christmas Eve will be cancelled, and Sealink ships and Seaspeed hovercraft will not operate on Christmas Day.

On December 26 and 27 there will be no Holyhead-Dun Laoghaire and Fishguard-Rosslare Sealink sailings.

Modified local and Inter-City services will begin to operate from about mid-morning on December 27. Normal services will resume in Scotland on December 28.

TV/Radio

BBC 1

† Indicates programme in black and white.

12.35 p.m. On the Move. 12.45 News. 1.00 Pebble Mill. 1.45 Barnaby. 3.53 Regional News (except London). 3.55 Play School. 4.20 Astronut. 4.25 Jackanory. 4.40 Blue Peter. 5.05 John Craven's Newsround. 5.15 The Oddball Couple.

5.40 News.
5.55 Reporting England.
6.20 Nationwide.
6.45 To-morrow's World.
7.10 Top of the Pops.
7.40 Sykes.
8.10 Kojak.
9.00 News.
9.25 The Big Time.
10.25 Omnibus.
11.15 To-night.
11.55 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—5.15-5.40 p.m. Bilidowcar. 5.55-6.20 Wales To-day. 6.45-7.10 Heddiw. 10.25-11.15 ". . . And the Pursuit of Happiness." 11.45 News and Weather fro Wales.

Scotland—5.55-6.20 a.m. Reporting Scotland. 11.45 News and Weather for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-6.20 Scene Around Six. 11.05 The Next Parish. 11.55 News and Weather for Northern Ireland.

England—5.55-6.20 p.m. Nationwide (London); Look North (Leeds, Manchester, Newcastle); Midlands To-day (Birmingham); Look East (Norwich); Points West (Bristol); South To-day (Southampton); Spotlight South-West (Plymouth).

BBC 2

11.00 a.m. Play School.
6.35 Open University.
7.00 News on 2 Headlines.
7.05 Your Move.
7.30 Newsday.
8.10 Top Crown.
8.35 The Book Programme: The Christmas book trade.
9.00 The Hollywood Musical: "Funny Face," starring Audrey Hepburn and Fred Astaire.
10.40 Late News on 2.
10.50 Edward Gibbon: The decline and Fall of the Roman Empire (special "Chronicle" programme).

LONDON

9.30 a.m. "Death Drums Along The River," starring Richard Todd. 10.45 Marcus Welby, MD. 11.35 Kimba. 12.00 Animal Kwackers. 12.10 p.m. Rainbow. 12.30 Parents Day. 1.00 News. 1.20 To-day's Post. 1.30 Crown Court. 2.00 Good Afternoon. 2.25 South Riding. 3.20 Heart to Heart. 3.50 Emmerdale Farm. 4.20 The Little House on the Prairie. 5.15 Bless This House.

5.45 News.
6.00 To-day.
6.35 Crossroads.
7.00 Thursday Adventure Film: "Istanbul Express."
9.00 The Squirrels.
9.30 This Week.
10.00 News.
10.30 Police Story.
11.30 Phyllis.
12.00 What the Papers Say.
12.15 a.m. London Scene.
12.25 Close: Jacqueline Mackenzie reads from a selection of poems about survival.

All ITV Regions as London except at the following times:—

ANGLIA

About Anglia. 6.20 Arena. 7.00 Thursday Movie: "Untamed," starring Tyrone Power and Susan Hayward. 10.30 George Hamilton IV. 11.00 Of Men and Women. 12.00 Ski-ing with Gina. 12.30 a.m. The Living Word.

ATV MIDLANDS

BORDER

CHANNEL

GRAMPIAN

GRANADA

HTV

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20 Miri Mawr. 4.35-4.45 Seren Wib. 6.00-6.15 Y Dydd. 6.30-7.00 Sports Arena. 10.35 Our American Dream. 11.20 The Saint.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Sports West.

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1

RADIO 2

RADIO 4

RADIO 3

BBC Radio London

London Broadcasting

Capital Radio

F.T. CROSSWORD PUZZLE No. 3,255

ACROSS

1 Miraculously it's excellent of course (14)
10 Put up, but with one left inside (5)
11 Some of the brave get a blessing—in this kingdom? (9)
12 Begin to dry outside . . . (4-3)
13 . . . and spread to dry round a stream, or poured in a stream (7)
14 I fish around for the fundamental ingredient (5)
16 Introduced in November, dined and died afterwards (9)
19 Guarded against own goal—with Alsatian? (6-3)
20 A stretch of water about a church (5)
22 Eccentric like a policeman's holiday (3-4)
25 The first of them to think it could be treachery (7)
27 Eastern movement, not quite all demonstrative (9)
28 Push south to south-coast town (5)
29 Acknowledge skill and moral integrity (14)

DOWN

2 R.A. unveils in order to reveal a general term (9)
3 Next R.A. drops name for another (5)
4 Vermin in lair turned upside-down—it doesn't matter! (5, 4)
5 Could it be drunk neat? (5)
6 Dog that makes a good recovery (9)
7 Written defamation making politician join the Spanish (5)
8 Gave out and gave in (7)
9 Sailors going to ball to drink (6)
15 Conceal about four? It's very reticent! (9)
17 Evening suit—suitable for a place of entertainment? (5-4)
18 Convey in ecstasy (9)
19 Lead the way with one in support (7)
21 Where to put one's coat with the sword (6)
23 Force cuts the top off and collapses (5)
24 The principal of written ethics (5)
26 Calm learner is drawing support (5)

SOLUTION TO PUZZLE No. 3,254

cord review

Messiah by NICHOLAS KENYON

del: Messiah. Elly Ameling, ına Reynolds, Philip Lan-idge. Gwynne Howell. The ademy and Chorus of St. irtin-in-the-Fields / Neville arriner. Argo D1SD3, three cords, £9.95

del: Messiah. Rae Woodland, una Procter. Paul Esswood, vid Johnston, Stephen berts. London Choral ciety. English Symphony chestra/John Tobin. GFH cords, four records, £12.00 post only from 11b, West-gh Avenue, London, SW15 F.

del: Messiah Choruses. ng's College Choir Cam-dge. Academy of St. Martin-the-Fields/David Willcocks. 4V CSD 3778, £3.35

del: Messiah Choruses and ias. Helen Donath, Anna ynolds. Stuart Burrows, nald McIntyre. John Alldis oir, London Philharmonic chestra/Karl Richter. DGG 30 643, £3.59

Great is the Mystery of God-s," proclaimed the title-of the word-book for iah's first performance; l was manifested in the ı. justified by the Spirit, of Angels, preached among Gentiles, believed on in the d, received up in Glory. In n are hid all the Treasures Wisdom and Knowledge." was the librettist. Charles ens's idea of what Messiah about, and it is curious that rk which attempted to por-the whole history of God's tion of the world through st has become so indis-ly linked in this country to celebration of Christmas. Part One bears on the tivity, and even that is given a large perspective by the use of Old Testament prophecy rather than New Testament narrative. Part Two deals with Christ's death, resurrection and ascension, again using prophetic texts, and Part Three is entirely concerned with the Second Coming: "my Redeemer liveth and shall stand at the latter day on the earth."

Curious, too, that a work which has achieved the status of a myth in this country (sung by many, known as a title and as an idea to many more) should be so in-definite in its contents. So far from being the monolith which 19th-century editions presented, it is in fact a structure with many changeable parts, which was continually altered by its composer throughout his life-time. This has presented editors of *Messiah*, who have tried to determine how Handel really in-tended, finally left *Messiah* or what an "ideal *Messiah*" should be, with difficult problems. It is refreshing to find a new edition on record which admits these problems and does not try to solve them in the usual way.

Christopher Hogwood, in his edition for the Academy of St. Martin-in-the-Fields, has simply attempted to reconstruct *Messiah* at one point in its varied life — its first performance in London on March 23, 1743. Listeners are likely to be first taken aback (or, like me, just think that their needle had stuck) in the seventh minute of side one, where the orchestra inserts an extra re-peated bar of trilled thirds in "Every valley," on the grounds that they are in the manuscript. (They are, but they were pro-bably deleted even before the first performance in 1742, which shows the difficulty of recon-structing precisely: the same is true of the altered introduced to "Thus saith the Lord of Hosts.") More is to come, however. There is no brilliant alto coloratura in "For he is like a refiner's fire"; that was not added until after 1750, for the male alto, Guadigni. There is a weak soprano arioso version of "But lo! the angel of the Lord," without the drama of the later "And lo!" However, if these changes in Part One seem for the worse, there is some excellent tidying-up later, especially in the logical and satis-fying arrangement of the sequence from "How beautiful are the feet" to "let us break their bonds asunder" in Part Two, especially the brilliant reci-tative close to the bass "Why do the nations?"—an unqualified improvement, I think. Occasion-ally the choice of version, though authentic for 1743, is demon-strably not ideal; to sing the ora-torio's last aria "If God be for us" in C minor creates an awk-ward jerk to the D major final choruses — the usual G minor provides a far better link.

Book Reviews are on Page 12

It is surprising that a version of *Messiah* so carefully authentic in its text should be so com-pletely inauthentic in its per-formance. Neville Marriner is not the first conductor of this oratorio to have determined the speed of the choruses by the speed at which his chorus can sing semiquavers (Colin Davis did the same), but his choir are able to deliver them here stunningly fast. "For unto us" and "His yoke is easy" have a delightfully fresh, chamber-music quality, showing clearly their origin in small Italian cantatas by Handel. "Lift up your heads" and "Glory to God" emerge with incisive clarity, and throughout the precision and blend of the Chorus of St. Martin-in-the-Fields (trained by Laszlo Heltay) is near-miraculous. But to what end? The interpretation of "And with his stripes" sounds dangerously casual, and in the biggest choruses the orchestra is allowed to dominate to an un-fortunate extent. The aim is, I presume, to destroy some myths about how *Messiah* should sound, in the same way as the text destroys the myth of what it contains; but the result is light-weight to an extent unimaginable in Handel's own performances.

Paradoxically, this conclusion is contradicted by some of the solo singing: though Philip Langridge matches the small-scale conception of the whole oratorio very well, Elly Ameling and Anna Reynolds sing in conventional style—and most beautifully—while Gwynne Howell dominates the group with a Commendatore-like account of his arias, quite out of keeping with the rest of the recording. The Academy of St. Martin-in-the-Fields play exceptionally well, adding to their familiar efficiency a sophistication and subtlety which blends well with the scrubbed, hygenic, stream-lined and contemporary *Messiah* presented here.

Lovers of a more grandiose approach to the Old Testament glories of the work might well, however, prefer John Tobin's new recording. Tobin has spent much of his life working on *Messiah*, and the thoroughness of every detail of his edition (which appears in the standard Hallische Händel-Ausgabe) is in marked contrast to the inconsis-tent approach to ornament and decoration on the Academy's discs. Moreover Tobin has per-formed the work countless times, and so can modify or elaborate with the benefit of experience (it is good to see a pedantic mis-reading of the autograph in "O death" corrected on this record-ing). It is a pity, then, that he is so poorly served by his soloists and orchestra (the London Choral Society sings reasonably well) — only Paul Esswood and Stephen Roberts partly redeem an inadequate cast who cannot cope with the great demands which Tobin makes (especially in his cadenzas, which sound anything but improvisatory). The imperfect string playing in the orchestra has been very closely recorded. Nevertheless, those who have attended the pioneering performances of *Messiah* by Tobin, performances which helped to create the climate for the smaller versions of to-day, may wish to have these discs as a somewhat imperfect memento.

For those whose resources do not stretch to these expensive full sets, two new discs of selec-tions should be noted: both from complete recordings which first appeared in 1973. King's College Choir sing the choruses pertly, and a touch prissily, with their usual odd manipulation of the English language resounding in their cushioning acoustic. Karl Richter offers solo items as well on his record, and the perfor-mances are solidly musical (par-ticularly by the John Alldis Choir and the LPO), but the text is bare and the heavy tread of the textures betrays a lack of that excitement which so far only Charles Mackerras (using Basil Lam's excellent edition) and Colin Davis have captured on disc. The Richter cover shows an entirely appropriate Passion scene, but like all the recordings reviewed here was issued by com-panies (like our choral societies) who know full well that we never listen to *Messiah* except at Christmas.

Valerie Masterson and Emile Belcourt in Johann Strauss's 'A Night in Venice,' which opened at the London Coliseum last night in a new production by Murray Dickie for the English National Opera

Leonard Burt

iane Fletcher, Alison Fiske, Brigit Forsyth and Mary Maddox in Dusa, Fish, Stas and Vi,' which opened last night at the Hampstead Theatre

Royal Court

Dracula by B. A. YOUNG

The Pip Simmons Theatre Group follow the story of Bram Stoker's novel fairly closely. We start with Jonathan Harker's visit to Dracula in Transylvania; we move on to the awful fate of Lucy, the Count's first victim in England; we encounter the sinister madman with his obsession of feeding flies to spiders and spiders to birds. Dr. Van Helsing comes from Holland to deal with these unknown ter-rors, and finally the whole party returns to Transylvania to catch Dracula in his coffin and knock a stake through his heart.

Dracula is a Victorian melo-drama in character, and the company has chosen to play its adaptation in a bizarre parody of Victorian melodramatic style. A black coffin rests on the stage throughout the evening, used as a table or a chair or a bed as needed. (Harker very politely replaces the lid when he has first seen Dracula crawl into it.) Castle Dracula is high upstage, above a curtained recess within which candles burn redly on an altar and the voice of God comes to open the proceedings with quotations from the Old Testa-ment.

Dracula himself (Rod Bed-dall) wears thigh-boots, net tights, a Lonsdale Belt and a tremendous cape of black nylon which he swishes about with fine panache. He is as bald as Kojak; so is Harker (Peter Oliver) and when they grow intimate they fondle each other's scalps. This and some other matters made me wonder just how much the company was playing for laughs.

Much of the time they seemed to be as earnest as the story allows, with an almost con-tinuous musical background composed by Chris Jordan (who is also the voice of God) in a variety of styles from sub-Wagner to Blues. But there are moments of deliberate comedy and some of deliberate farce, such as the irrelevant playing by the company of a short inter-lude for flute, trombone, tuba and triangle at the beginning of the second act, and these sug-gest to me that perhaps we should be in stitches all the evening.

Whatever they are aiming at, it seems to me the players are not likely to hit it as long as they maintain their present bulldoz-ing style. There is more to acting than getting the words right, even when you are mocking what you imagine to have been the manners of another age. There is more to singing than hitting the notes: Dracula allows himself to take a breath between the second and third syllables of his name. There is more to parody than a ham-handed approximation to what you have seen others do when dealing with the same kind of material.

The production originated as an illustration of "the fantastic and imaginative aspect" of the word horror, but the foolery has drained the horror out of it. What is left is merely a lot of pretentious bombast, neither funny enough for laughs nor horrid enough for shudders.

Festival Hall

Mendelssohn's 'Dream' Music

Mendelssohn's Incidental Music for *A Midsummer Night's Dream* was, on Tuesday, given in full by the London Symphony Orchestra under André Previn. (In a touching and apt tribute, the conductor dedicated the per-formance to Benjamin Britten's memory.) The score is, of course, one of the imaginative miracles of music, on whose magic one wants lavished the last degree of orchestral delicacy, interpretative finesse, beautiful sound. This performance was, instead, a curious patchwork of very good and indifferent—as though conductor and orchestra were sparked by only some pieces, and not by others.

Throughout the concert—this was its second half, the first having been devoted to Weber, of which more later—the hunger for warm, glowing, many-faceted string tone was seldom fully gratified. As a result the miraculous resourcefulness of Mendelssohn's string writing (has any other composer, Berlioz always excepted, drawn quite such a variety of pictorial ex-pressiveness out of flickering, fast-moving part-writing?) was imperfectly demonstrated—the start to the Overture, too loud and glassy, was a swarm of mos-quitoes rather than a suggestion of fairies. The comedy of the Intermezzo passed by, unfelt by the string exchanges. And yet some movements went with eloquent lightness, and a sudden suggestion of the emotional light and shade behind the encyclo-paedic richness of compositional technique. Good soloists (Lilian Watson and Delia Wallis) and the sweet-toned Finchley Chil-dren's Music Group made of the vocal movements a touching, as well as enchanting contrast.

This is not to suggest that the performance was not eminently well worth embarking on—only that it was worth the extra effort apparently not granted it. The conjunction of Mendelssohn and Weber, carrying on the good work of this year's Summer Music series, had an unexpectedly dampening effect on audience attendance—which seemed to work a return effect on the play-ing of the *Euryanthe* Overture (perfunctory in competence, with little "lift" to the tunes or splendour in the tone) and the Bassoon Concerto. Roger Birn-stingl, the orchestra's own "first desk," was the soloist—fleet and sure by turns, but with little feeling, most of all in the slow movement, for the characterisa-tion of the instrument as roman-tic dreamer—the exchanges be-tween solo instrument and strings lacked poetry.

MAX LOPPERT

Elizabeth Hall

Juilliard Quartet

On Tuesday evening, at the last of their series of three recitals devoted to Mozart, Bartok and Schubert, the Juilliard String Quartet found their most radiant, eloquent form. For this final programme they played three works, all in some sense valedictory. Mozart's D minor quartet K421 — the "dark brother," as Hugh Wood calls it, among the 'Haydn' quartets—is valedictory only in mood and key. Straight away, in the first *sotto voce* bars, the Juilliard caught its dark cur-rents: the muted (but violent) contrasts, the angular contra-puntal movement — the tragic lyrical outpouring of the andante, in this performance almost understated but some-how the more affecting for such grave and delicate restraint.

There was a pang of regret as the first movement's exposition repeat passed by unobserved; and did it seem, once or twice, at moments of the highest excite-ment, that the instrument carry-ing the basic pulse tended to become unstable? Hardly reser-vations these: for the very grip and authority of the Juilliard's playing here, as throughout the recital, was such that unusual details were never sensed as blemishes, but rather as points of focus, marks of positive char-acter. Of the finale especially, one of Mozart's most extraordi-nary quartet movements, they gave a masterly account—all of its complex inner dynamic, rhythmic ebb and flow, subtle harmonic colouring, buoyant, superbly controlled.

Their performance of Bartok's sixth and last quartet also com-bined a wonderful sense of broad-ness and spontaneity with the same exactness of attack, intona-tion and gesture. Of timbre too: one has rarely heard the *mesto* sonority of the second movement (tremolando inner parts against legato outer parts, only the cello *senza sordino*) sound so haunted, haunting; or the *senza colore* passages of the last movement so rapt and still, so glassy-trans-parent. For Schubert's string quintet they were joined by Ralph Kirshbaum. From start to finish, and from half-voice to full five-voice frenzy, it was an account of thrilling clarity, refinement and energy. A sudden up-tempo after the second subject of the first movement, and thereafter at its every appearance, was its single quirky detail: otherwise all was in place—an adagio of per-fect lyrical calm, the sweetest anguish; a scherzo with its edge of gaiety honed bright and sharp; a remorseless, ruthless dance of a finale, rounded with sadness.

DOMINIC GILL

ildhall School of Music

The Inquisitive Women by RONALD CRICHTON

olf-Ferrari's centenary year en out by the opera students he Guildhall School with *Inquisitive Women*, the first everal works for which this tian-born son of a German ter and an Italian mother a comedy by Goldoni. As *donne curiose* it was first ı in Munich, in 1903. With London Opera Centre's *ol for Fathers* mounted a months ago, the tally of on's celebration of this est but most likeable minor er must be about complete. cause his music is tuneful, ible, beautifully written for s and orchestra, and even because Goldoni was rous with the number of acters, colleges must be y tempted by Wolf-Ferrari. few kinds of opera are less y to be done justice by g singers with little or no rience of delivering dia-e set to music, of comic ıg, of playing mature or ly characters convincingly. may well point out in re-that precisely because of difficulties the experience aluable. Indeed, a stiffish act apart, Wednesday's per-ance went well enough to a fair idea of what *Le donne curiose* would be like with a cast of expert singer-actors.

Not, one would imagine, as delightful as that other Venetian piece we heard this year. There is the same skill in allowing comic situations to blossom naturally into short arias, duet or ensemble without disturbing the texture, the same feeling that Italian comic opera will never be the same again after *Falstaff*, together with an impression (not so evident in *I quattro rusteghi*) that *Figaro* was very much in Wolf-Ferrari's mind. All the same, to complain of eclecticism or lightness seems beside the point when there is so much (the rather dull first act apart) to enjoy, even though the art of making scenes the right length had not yet been mastered—part of Act 2 feels unduly short, the rest begins to drag before the end.

The Entertainment Guide is on Page 10

The plot of *Le donne curiose* is a kind of *Segreto di Susanna* in reverse—the secret this time being "what do our husbands get up to at their Club?" Two Venetian wives, one daughter and a nosy servant set them-selves to find out. The answer, of course, is that they talk, eat and drink, probably rather better than at home. The stratagems and counter-ploys provide opportunity for scenes alternately dominated by male and female voices, occasionally coalescing in duets, for instance between the daughter Rosaura and her fiancé.

Dennis Maunder produces. The lyrical scenes not surprisingly go better than the comic en-counters where there are frozen forearms, awkwardness and faces and voices that will not look or sound ripe. The sets by Margaret Matthews and cos-tumes by Daphne Newington are, on their modest level, an especial pleasure after the visual disappointments of *Ariadne* the previous night. The level of singing in the numerous cast was competent if not wildly exciting. The orchestral playing under Vilem Tausky (Fraser Goulding takes over for the last performance, to-morrow) im-proved greatly during the course of the evening.

gmore Hall

Kaikhosru Sorabji

ıe second half of Yonty mon's recital on Tuesday, er the auspices of the Park e Group, consisted of four y piano pieces by Kaikhosru ıbji. Born, perhaps, in 1892 has always regarded re-sts for biographical details bleakly as requests for per-sion to perform his works—abji was esteemed as a critic years ago, and a handful of nds has admired an ever-ving body of compositions. hing written later than 1926 been published, however, a monster *Opus Clavicem-sticum* of 1930: as if the ridding difficulty of his piano ling were not sufficient in-ance against inept perform-es, he has taken pains to pre-t it from being exposed to public—in whom he takes no rest. It is a substantial com-ent, then, to Yonty Solomon ireless exponent of neglected posers) that Sorabji has re-tly granted him the right to his music in concert.

orabji's own highly specific tastes run to florid pianist-composers of the high Post-Romantic period: Busoni, Medt-ner, Szymanowski. The pieces included in Solomon's brief on Tuesday were extravagantly decorative, if one can speak of decoration where the supporting structure is so exiguous. Even the earliest works, a Toccata and a *Fantaisie Espagnole*, offered a minimum of significant repeti-tion, and the proliferating ten-drils of *In the Hothouse* and *Le Jardin Parfumé* were clearly intended to generate their own exotic life, stretching luxuriously over three staves' worth of arabesquing demisemiquavers, chord-chains and trills.

The effect is richly coloured but curiously cool, suggestive of nothing more passionate than wilful virtuosity. If Schönberg had never existed, such music might have been called "atonal," for harmonic functions play a vanishing part in it; but in fact it sounds quasi- or cryto-tonal *à la* Messiaen, savouring soft discords for their succulent flavours. It might fairly be said to continue along a path sug-gested by Skryabin and Ravel in their pre-war works—a path from which, for good reasons, they turned away. Later Sorabji is said to go in for grand intel-lectual constructions *à la* Busoni —but that remains to be heard.

Solomon did this music re-markable justice: it is, in all conscience, superbly laid out, poised and transparent against the odds, but it takes preter-natural control to make it sound like that. Solomon did, with superlative variety of touch and tone. Earlier, his performance of Berg's Sonata Op. 1 had been comparably impressive, perhaps just failing to build its main climaxes from sufficiently far off to make them dominate the landscape. Two new pieces by John Rushby-Smith and Wilfred Mellers, were, in a familiarly compromising manner, lively but dull.

DAVID MURRAY

Covent Garden

Swan Lake

Swan Lake offers everything that ballet audiences love: Chai-kovsky, dancers impersonating birds, romantic love, national dances, and cohorts of young women dressed in white and moving about on the tips of their toes. It has attained an almost sacrosanct quality as the epitome of "ballet," and in the majority of performances that I have seen it is a pious fraud, coasting along on its reputation, and perpetrating a good many false-hoods about classic dancing and the nature of ballet.

What it is, and what it so rarely becomes in performance, is an opulent and irrational late 19th century spectacular, en-shrining a diabolically difficult double role which calls for the rarest of technical and inter-pretative gifts. The Royal Ballet's staging is better than almost any other I know—the Kirov version the only exception —but, on Wednesday's showing, it needs altogether stronger casting in most of its subsidiary roles, and a very sharp produc-tion eye cast on the first act, which is a social mess, with peasants and courtiers hobnob-bing over the goblets as if at some dire office Christmas party where all the barriers are down.

As Odette/Odile Ria Peri was making her Opera House début, and that in itself is the sort of wall-of-death test that most bal-lerinas dread. All credit to her for giving so assured a technical account of the double role, with no evident nerves to fray the fouettés, and a pleasing large-ness of dynamics to the dances. But the part calls for something more than the rather impassive manner Miss Peri provided. With its greatest interpreters—Fon-teyn, Plissetskaya, Makarova spring to mind—we are made aware of a guiding image that inspires every moment, colour-ing and shaping the text. This quality I found lacking: Miss Peri danced honestly, but the pas-sion and sorrow so integral to the character are as yet only hinted at. Experience will teach Miss Peri how to focus these in her dancing, for she is a gifted artist.

David Wall was Siegfried, and his interpretation—as always—was alert, credible, and shot through with those quick gusts of temperament that suggest the young prince's ardent nature. The orchestra under Emmanuel Young was pedestrian—inevitable memories of the Bolshoy musi-cians playing Chaikovsky with such love and feeling that the score almost dominated the dance —but praise for Stephen Beagley in the Act 3 quartet: he is a young dancer of wonderful pro-mise.

CLEMENT CRISP

EUROPEAN NEWS

Nato approves AWACS in principle, delays decision

BY MALCOLM RUTHERFORD BRUSSELS, Dec. 8.

NATO DEFENCE Ministers to-day agreed in principle on the need to adopt the $2.4bn Airborne Warning and Control System (AWACS) — the largest single project ever put before the alliance — but postponed a final decision until early next year.

Dr. Joseph Luns, the Nato Secretary-General, summed up the discussions by saying that whereas before this week there had been "a possibility that AWACS might be on," there was now "*only a slight possibility* that it might be off."

The main reason why the final decision could not be taken to-day lies in the budgetary problems of the West German Government, without whose participation there could be no question of the project going ahead.

On the British side, Mr. Fred Mulley, the Defence Secretary, left no doubt that Britain is prepared to abandon the alternative British project based on a development of the Hawker Siddeley Nimrod aircraft in favour of the Nato AWACS solution. But the decision must be taken as quickly as possibly to allow Nimrod to be dropped, he said.

The key paragraph in the defence ministers' communique reads as follows: "Ministers reaffirmed the importance of a Nato airborne early warning force and agreed to the need for an urgent decision on its realisation. They therefore agreed to call a meeting of high-level national experts in early January *in order to examine the* financial aspects of such realisation, to be followed shortly thereafter by a meeting of defence ministers to come to decisions for endorsement through national processes."

It has become clear that support for AWACS could extend throughout the alliance, and would by no means be confined to the larger or richer countries.

Under the package as presented by the Nato international staff to defence ministers to-day, about 80 per cent. of the industrial work would go to the U.S. The remaining 20 per cent. will be distributed among British, German and Canadian companies, an arrangement with which British sources said they were "broadly satisfied" and to which no other country seems to have objected.

The British financial contribution to the programme is put at about £260m. at present rates of exchange, most of which is already in the British defence budget. In return, British companies would get a "work equivalent" of between 25 and 30 per cent. of this.

The U.S. financial contribution is put at between $600m. and $800m., or between one-quarter and one-third. It is pointed out that since Britain is likely to be chosen as the main operating base for the AWACS fleet, there will be a considerable return in operating costs over the longer term, some of it in foreign exchange.

Estimates for the loss of jobs involved in the dropping of the Nimrod alternative have not yet been given.

Concentrated

The German contribution is likely to be similar to that of *the British, but concentrated on* the later stages of the programme. The particular German problem which has arisen concerns the lack of forward planning in the German budget. The money is not currently available and the new German Bundestag, elected on October 3, has not yet met nor have the new parliamentary committees been formed.

It is hoped that these can start work early in the new year, allowing the defence ministers to hold their special session in February. Before then, senior officials from Nato countries will further discuss fianancial questions.

The Germans raised a few additional technical questions at to-day's meeting—mainly concerning the vulnerability of AWACS to enemy attack—but Dr. Luns undertook to answer these by the end of this month.

Further questions about the value of AWACS to the alliance's southern flank came from Italy and Turkey, but these were taken as a positive sign of interest from countries which at one stage might not have come in at all.

Expectations of French participation remain high though, given France's special position in the alliance, this is likely to be in a rather different form. As one source put it: "France could come in as someone who pays rent rather than the mortgage." In other words, France could participate in the infrastructure without buying AWACS aircraft. A similar arrangement could apply to Greece.

Operational

The total aircraft now discussed is 27, the first of them going into service around the end of 1980 and the programme being fully operational five years later.

The main case for AWACS apart from it being a standardised alliance project, is that it would give early warning of Warsaw Pact military preparations impossible for ground radar. It would enable Nato permanently to see up to 200 miles into Warsaw Pact territory and to control at least the early stages of the Nato response, *should an attack come.*

For example, it is said that AWACS, had it been available at the time, would have made Nato aware well in advance of the Soviet plan to invade Czechoslovakia in 1968.

Fiat deal may be first of many, says Libya bank chief

BY ANTHONY ROBINSON

MR. ABDALLA SAUDI, chairman of the Libyan Arab Foreign Bank, flew here from Tripoli to-day to clarify the Libyan attitude towards last week's deal through which it will invest a total of $415m. and become the second largest shareholder in Fiat, Italy's largest private company. Mr. Saudi is expected to take one of the two seats which the bank will occupy on the 15-man Fiat board.

Throughout the Press conference, held at the Rome office of the Unione di Banche Arabe ed Europee (UBAE), Mr. Saudi emphasised the purely financial nature of the Libyan investment and the importance to Italy of this injection of dollars and demonstration of confidence in Italian industry and the economy.

He said the deal with Fiat could represent the start of greater co-operation between the industrialised countries and the oil producers, adding that direct investment and co-operation of this kind could help to reduce the rise in prices of manufactured goods imported by the oil-producing countries which lies beyond the pressure to raise oil prices. Deals of this kind also headed off criticism that the oil surplus countries were burying their revenues in bank deposits and creating hot money by transferring them from one country to another.

Asked why the bank had chosen Italy and Fiat, in particular, for its first major foreign investment of this kind, Mr. Saudi said that while the Libyans' first priority was their own domestic development they were now looking for sound foreign investments as well. "Italy is a country which we know, with which we have things in common and in which we have confidence. It has its difficulties, but who doesn't," he added.

Mr. Saudi indicated that the bank was interested in Fiat not only because of its financial solidity but also because of the broad range of products and activities and its wide geographical spread. Through the Fiat deal Libya becomes a partner in a company with worldwide contacts, contracts and joint ventures.

Asked about Fiat's operations in Brazil for example, he replied: "We are a partner in all Fiat's activities, including therefore Brazil." He replied in much the same vein to a question about Libyan interest in Fiat's armaments activities, saying that they had bought into Fiat as it is with all its varying interests.

Mr. Saudi limited himself to the economic and financial aspects of the deal but Libyan diplomatic sources indicated that from a wider political point of view Libya sees the Fiat deal as a means of obtaining closer links between Libya and Europe and of encouraging European countries to take a greater interest in their relations with the Arab world.

Mr. Saudi made clear that the Fiat deal was only a first step and the Libyans were prepared to examine other profitable investment opportunities in Europe.

Asked whether the bank had bought other Fiat shares through the Bourse, Mr. Saudi replied: "No, we dealt directly with Fiat. We did not buy existing shares but increased Fiat's capital. This will strengthen the company of which we are now part."

Under the agreement, the Libyan bank paid more than triple the then market price for its new shares. He was asked whether this was justified and did the agreement include a clause stipulating at what price these shares would be sold back if the bank decided to sell its stake at some time in the future. "That would mean selling before buying—we don't do that kind of transaction," he said.

Mr. Saudi pointed out that Fiat shares had risen over 25

Caution in Brussels over petrol marketing

By Guy de Jonquieres

BRUSSELS, Dec. 8

THE EEC COMMISSION today gave a cautious welcome to proposals for changes in the organisation of the European Petroleum Market submitted more than four months ago by five medium-sized oil companies based in four community countries.

M. Henri Simonet, the outgoing Commissioner responsible for energy policy, said in a letter that the Commission would give close study to the companies' suggestions for a partial, voluntary shutdown of existing refinery capacity, curbs on new refinery construction and greater clarity on product pricing.

However, he was careful not to endorse any of these proposals explicitly and extended the Commission's backing only to the companies' less controversial demands for effective measures to reduce energy consumption and pollution.

M. Simonet's non-committal response is due not only to his imminent departure from the Commission but also to concern in Brussels about giving offence to the OPEC oil producers at a moment when a new price increase is in prospect.

Decision

Governments of the Nine are studying plans for limiting refinery capacity in the Energy Committee, which holds its next meeting here on Friday, but are keen to avoid any decision which might be construed by the OPEC nations as direct intervention designed to impede the sale of their oil on EEC markets.

In addition, the U.S. has made it clear that it is watching the Commission's deliberations in this area closely and would frown upon any actions which appeared to discriminate against American international oil companies in favour of smaller European concerns.

The problems of competing with the majors in current market conditions are, in fact, one of the main themes of the memorandum, which was submitted jointly by Compagnie Francaise des Petroles and Elf Erap of France, Veba of Germany, Petrofina of Belgium, and Ente Nazionale Idrocarburi of Italy.

One of their principal aims is the establishment of a system of complete and up-to-date information on the pricing of petroleum products in Europe.

Poland alters land policy to encourage inheritance

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT WARSAW, Dec. 8.

IN A MAJOR modification of its land reform policy, Poland is to encourage private farmers to hand over their land to their children, *rather than the State.* This is bound to delay the Government's long-term policy of doing away with private farming.

According to Polish sources here to-day, the ruling United Workers' Party, under Mr. Edward Gierek, is proposing that *farmers who bequeath their* holdings intact to their children be rewarded with a State pension. At the moment such pensions are only available to farmers who give their land to the State.

The size of the pension would depend on the acreage and quality of the farm and would range from half to several times the average national pension. Details of the measure will be announced at a special party conference next year, the sources said.

The measure has two aims. The first is to prevent further fragmentation of small farms. The second is to ensure that farms *stay in the hands of people with* agricultural experience. At the moment, the composition of the agricultural work-force is determined by what the authorities call negative selection—only people who cannot get jobs elsewhere work on private farms, which is why standards are so low. Able and ambitious people tend to leave for the towns.

Although the measure runs counter to socialist ideology, the Government believes it will make private farming more efficient by fostering a capable work-force. It should also reduce the age of farmers by making it easier for elderly small-holders to retire.

Government policy is gradually to absorb land into co-operative and State farms, but by incentives rather than forcible take-overs. The new measure is certain to hold back this policy, by encouraging the growth of a new generation of private farmers. Ironically, it appears to have been forced on the Government by the pressing need to improve output of food and meat shortages which are adding to the country's present crisis.

Christopher Bobinski adds: Sixty-five workers involved in food price riots last June have signed a public protest about police brutality, and demanded a parliamentary enquiry into the way their court cases were handled. The workers are all from Radom, which saw the bitterest demonstrations in which two people died, it is officially admitted.

After being arrested, the workers say, each one of them had to run at least once through a gauntlet of truncheons. The protest claims that the evidence was forced from the workers by *torture and demands the punish*ment of those responsible.

Irish election forecast

BY GILES MERRITT DUBLIN, Dec. 8.

THE Irish government stands to lose next year's general election, according to a survey carried out by the state-controlled RTE broadcasting authority. But, because of dwindling voter support for all three main political *parties, the opposition Fianna* Fail would regain power with a substantially lower percentage of preference votes than it lost with in 1973.

The poll suggests that abstentions reflecting disenchantment with Irish politicians will be very high. As many as 16 per cent. of those questioned in the survey were undecided, while 20 per cent. of voters in the forthcoming election are young enough never to have voted before and constitute a maverick element.

Flanna Fail would win by a narrow margin of 43 per cent. over the Fine Gael-Labour Party coalition government's projected 40 per cent., according *to the survey. In the last general* election of 1973 Flanna Fail won 46 per cent. of the vote and the coalition 48.8 per cent.

Prime Minister Mr. Liam Cosgrave's own Fine Gael party, which is the senior partner in the coalition, appears to have come off worst in the RTE survey. Whereas it held 35.1 per cent. of votes cast in 1973, the survey puts its present share at only 23 per cent.

French vote for EEC parliament

BY ROBERT MAUTHNER PARIS, Dec. 8.

THE FRENCH National Assembly *last night* approved by an overwhelming majority the treaty signed in Brussels in July, 1975, on the extension of the European Parliament's budgetary powers, thus clearing the way to its official ratification by France.

Both the Gaullists, in spite of their reservations about any increase in the European Parliament's powers, and the Socialist opposition, though not the Communists, voted for the tax, which was adopted by 396 votes against 75. The Gaullist chairman of the Assembly's Foreign Affairs Committee, M. Christian de la Malene, who had originally intended to ask for an adjourn*ment of the discussions,* said that he had finally come to the conclusion that the treaty did not modify fundamentally the powers of the various European institutions.

It appears, however, that the Gaullists' vote in favour of this particular measure does not imply any change in their basic position. All the indications at present are that they will oppose the ratification of direct elections to the European Parliament, when the text on this subject is submitted to the National Assembly in the spring.

Their more conciliatory stand yesterday seems to reflect the desire of M. Jacques Chirac not *to force* a showdown with President Giscard d'Estaing only two days after the former's election as the leader of a rejuvenated Gaullist party. At least as significant was the fact that, for the first time for many months, the Socialists and the Communists went their own way when it came to the vote. The Socialists have always made plain their support for the European Community, while the Communists have never missed an opportunity of criticising what they consider to be a supranational capitalist bloc which undermines French national independence.

THE DEBATE ON THE WEST GERMAN ECONOMY

Shrinking growth at the manufacturing core

BY NICHOLAS COLCHESTER IN BONN

ONE PUZZLING feature of the current West German economic debate is the way in which both optimists and *pessimists* produce capital investment statistics to support their cases. Thus the Economics Ministry, which claims in its latest report that "recovery is clearly taking shape," makes much of a 17 per cent. increase in domestic orders to the capital goods industry between June/July and August/September 1976.

But the Ifo institute, whose monthly polls clearly reflect the pessimism among West German industrialists, says that "hopes that more lively investment will lead to more jobs have been disappointed, and there are indications that for the moment there will be no change in the careful investment policy of industry."

Ifo maintains that West German industry will invest only *about 2 per cent. more in real* terms in 1976 than in 1975. Meanwhile definitive figures from the Federal Statistical Office show that capital investment in the first half of this year was a real 5.8 per cent. above that during the first half of 1975. Whom is one to believe?

Investment

The answer is that one must believe both, for each is talking about something different. Ifo is dealing with manufacturing industry, whose capital investment in 1975 amounted to just 15 per cent. of the total capital investment recorded in the national income accounts. The overall national total includes the service and retail sector, the energy sector, the communications sector, the housebuilding sector and the public sector. These sectors' considerable investments form an important part of the output of the industry whose investment Ifo is worrying about.

A further source of muddle is the confusion of orders and sales. The five per cent. real rise in overall capital expenditure expected this year reflects, to a considerable extent, orders placed last year when the Government ran a special investment bonus programme. In the first ten months of this year, domestic orders booked by the capital goods industry were actually 1.7 per cent. down in real terms on the same period of 1975.

The best way of putting the current situation into perspective is to say that German domestic capital goods orders in the first ten *months* were more than 2 per cent. below the average volume level for 1970, and that, thanks to the recent revival highlighted by the Economics Ministry, the same orders in the last three months have been just four per cent. above this level of six years ago.

Ifo's surveys of investment intentions focus on the manufacturing core of West German industry. This employs some seven million of the 26 million people working in the Federal Republic. It is perhaps rash to extrapolate Ifo's findings here to the whole of the corporate sector for it is to be expected that the German economy is gradually shifting its centre of gravity away from manufacturing and into tertiary activities.

Yet assuming that the manufacturing sector remains the true source of the country's wealth, the Munich institute's findings have disturbing *implications for* German growth and employment.

The gist of Ifo's findings is that the managements of West German manufacturing companies have, over the last 15 years, been taking an ever more pessimistic view of future growth, and have become increasingly reluctant to indulge in the sort of capital investment that expands capacity and creates jobs.

In 1960, for instance, 53 per cent. of all manufacturing companies quizzed by Ifo cited expansion of capacity as the primary aim of their capital investment over the next five years. By 1970 *this proportion* was down to 40 per cent., and by 1976 it had fallen to 12 per cent.

This recent sudden drop in the wake of recession hints at a "fashionable pessimism." So too does the fact that half of all managers now reckon on only 1 to 2 per cent. real economic growth per annum for the next 10-20 years, and that another two-fifths reckon on no growth at all, or actual decline.

But fashionable or not, the mood does explain why, despite a 30 per cent. improvement in *corporate profits this* year, German manufacturing industry is planning only about 2 per cent. more capital investment in 1977.

Ifo has delved back into its researches over the past 20 years and has established that the same length of order book (expressed *as months of* work in hand) has been accompanied by a steadily declining business confidence and by steadily shrinking plans for future production.

REWARD AND RISK IN GERMAN INDUSTRY

	Profit after tax as per cent of turnover	Capital investment as per cent of turnover	Bankruptcies per year
1959-62	6.3	6.9	410
1963-66	6.1	5.9	577
1967-71	5.3	5.5	723
1972-75	4.1	5.3	1,315

Source: IFO

Bankruptcies

The accompanying table suggests some reasons for the falling confidence in the future—or *they may not be reasons,* but rather accompaniments to an inevitable slow-down of what started as the German economic miracle. They show how, according to figures of the Industriekreditbank in Dusseldorf, profit margins in industry have dwindled, and the number of bankruptcies in West Germany has risen as the ratio of capital investment to turnover has fallen.

Something else which may be either a cause or a consequence of this development has been a rise in the "angst" of the German people about their future prosperity, and their apparent inclination to look to the political right for salvation. The near success of the Conservative Union in the recent general election suggested that the electorate believed in less state interference and more entrepreneurial reward as the best way of re-injecting life into the economy.

In other countries, France and Great Britain for instance, fear of a protracted economic slow-down has been accompanied by a polarisation of political views. This could happen in West Germany, too, but so far political forces demanding more state control of the economy have failed to emerge.

At the moment the Federal Government *is* waiting for further proof that the problem spelt out by Ifo really exists. It has already been caused some embarrassment by the recent report of the "five wise men"—five independent economists who compile a yearly report on the state of the economy. They saw risks for future economic growth and employment, in industry's unwillingness to invest and recommend that "the Government decides on a medium term programme for investment and full employment—which strengthens the investor's expectation of profit, which reduces the risk of investment and inovation, and which increases workers' readiness to move." They said that the Government should devote DM3bn. to this.

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Aid urged for companies which quit Caribbean

BY HUGH O'SHAUGHNESSY

E MINISTRY of Overseas velopment should make con- gency plans to aid British npanies which decide to with- .w their assets from the Com- nwealth Caribbean. This is : of the main recommenda- ns contained in the second iort from the House of Com- ns Select Committee on Over- s Development, published yes- day.

Tho committee whose meet- s were chaired principally by Bernard Braine, the Con- vative spokesman for Com- nwealth Affairs and which k evidence from business and demic authorities on the ribbean, warns that "future nts may make inevitable" h a disinvestment policy.

No accurate or up-to-date sta- ics of British investment in region are available but, cording to a survey carried out 1971 the book value of tish investments in Jamaica ne was £34m.

The report, which contains a ical reappraisal of the whole ge of political and economic ations between Britain and region, is likely to be widely ated, particularly as its pub- ation comes on the eve of t Wednesday's hard fought ctions in Jamaica in which elecorate will pronounce on future of Premier Norman nley's experiment in "demo- tic socialism."

The document suggests that cent events in Guyana, naica, Antigua and even rbados, have refused the itical attractiveness of the a," and goes on to ask "how foreign investors be encouraged to make capital available in one area of con- siderable social tension with its implied political risk?"

The authors of the report are less than flattering about the present structure of British dipomatic representation, trade promotion and aid efforts in the Commonwealth Caribbean. They suggest the establishment of a "trade development agency" to be funded jointly by the British Government, the governments of the Caribbean Community and industry in Britain and the Caribbean with the aim of foster- ing effective economic develop- ment and two-way trade between Britain and the region.

The agency would concern itself *inter alia* with the provision of "appropriate technologies" to assist rural development and industrialisation.

The report suggests that the Department of Trade should take immediate steps to develop a fully managed market for bananas in which the return to the grower is properly protected. It says that, under the present system, the consumers have benefited at the cost of the growers.

On the subject of sugar, whose importance to the economy and employment levels of the region it emphasises, the report calls for a renegotiation of the Lomé convention so that all producers in the ACP group benefit from more satisfactory prices in the European market. This would mean that the sugar price fixed by the EEC and the ACP coun- tries in mid-year would be made retroactive to the beginning of the year.

Gairy back with reduced majority

BY TONY COZIER BRIDGETOWN, Dec. 8.

E RULING Grenada United bour Party, led by the Prime nister, Mr. Eric Gairy, has en returned to power for an- ier term but its majority has en considerably reduced.

Mr. Gairy enjoyed a 14 to one vantage in the last House of presentatives but this has en whittled down to nine to in the new House by the ong showing of the three-party nalgamation, called the ople's Alliance. Three position groups — the enada National Party, the nited People's Party, and the ew Jewel Movement — united ensure that anti-Government ting was not split.

More than 80 per cent. of the electorate turned out in the first elections since the 133-square mile island gained full inde- pendence from Britain in February, 1974. The heavy pol- ling and the influence of young voters between the ages of 18 and 21 who were enjoying the franchise for the first time was seen as a boost for the opposition.

* * *

The Grenadian authorities refused entry to the country to cover the elections our corres- pondent, Mr. Tony Cozier. Mr. Cozier, a Barbadian, landed in Grenada but was put back on the flight. No reason was given for the ban.

Anger at pregnancy ruling

BY DAVID BELL WASHINGTON, Dec. 8.

IE LEADERS of women's hts organisations in the ited States reacted angrily day to a decision by the preme Court which ruled sterday afternoon that major mpanies do not have to lude pregnancy benefits in range of "disability" nefits that they offer their ployees.

n the absence of a national alth service in the United tes many large companies vide comprehensive medical l temporary disability benefits heir employees. But General ctric, which took its case to Supreme Court, argued that pregnancy was a unique condi- tion and that it was not discri- minatory for the company to exclude it since it offered exactly similar benefits to men and women employees in every other respect.

The Court, in a six to three decision, accepted this argument but one dissenting judge said that not granting pregnancy benefits was clearly discrimina- tory since only women could get pregnant and that, as such, it clearly violated the Civil Rights Act which among other things forbids discrimination on grounds of sex. Several lower courts had earlier ruled that GE was discriminating.

Commission backs new Alaska pipeline

By Jay Palmer

NEW YORK, Dec. 8.

A SPECIAL study by the staff of the Federal Power Com- mission has strongly recom- mended that Alaskan natural gas be carried to U.S. markets through a new trans-Canada pipeline cutting east from the North Slope gase reserves to a point somewhere on the U.S.- Canadian Mid-West border.

However authoritative and influential this suggestion may be, it is not the final word. An FPC administrative law judge must come up with a recom- mendation by the end of next February which, in turn, will presumably form the basis for a White House plan that must be presented for ratification to Congress by next September.

The FPC staff recommended this particular plan over two alternative competing schemes. The proposed pipeline would be built by the Arctic Gas Pro- ject, a consortium of 15 U.S. and Canadian companies.

The two rejected schemes also involved new pipelines. The first, put forward by El Paso, called for a gas pipeline to be built parallel to the re- cently built oil pipeline. On reaching the Alaskan South Coast, the gas would have been liquefied and shipped by tank- er to California.

The other route, proposed by Northwest Pipeline, would have had a new pipeline built going south through Alaska and Canada to British Colum- bia, where it could have linked up with other existing systems.

The FPC study said that the Arctic Gas project was the most "prudent, reasonable and in the public interest." How- ever, while generally enthusias- tic about the estimated $9bn. project, the FPC suggested that the scheme be modified to eliminate a proposed leg link- ing the pipeline's end border point with the U.S. West Coast.

Venezuelan reserves fall

By Joseph Mann

CARACAS, Dec. 8.

THE VENEZUELAN Central Bank reported Government debt totalled $3.36bn. at the end of September.

This figure for the first three quarters of 1976 does not in- clude a subsequent $1bn. loan from a syndicate of foreign banks but the loan, being used to roll over short-term debt, will not increase the total.

In its bulletin, the Central Bank noted that its inter- national monetary reserves at the end of September had fallen to $7.88bn. from $8.684bn. a year earlier.

CANADA PRICES

OTTAWA, Dec. 8.

CANADIAN manufacturers' prices remained stable in October after rising for 10 consecutive months, Statistics Canada said. The industry sell- ing price index for manufac- tured goods was 163.2 in October, unchanged from September but up 3.6 per cent. from 157.5 in October, 1975. The index has a base of 100 for 1971.

The Federal Statistics Agency said that declines in food, beverage and wood indus- try prices offset increases in some other industries.

AP-DJ

Consumer concern on key jobs

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, Dec. 8.

ERICAN CONSUMER interest ups, loosely allied under the dership of Mr. Ralph Nader, now concerned that the ernment appointments being de by Mr. Jimmy Carter seem reflect unduly the wishes of iness, and do not take con- ier interests into account.

esterday, Mr. Nader himself l he was disappointed he had been consulted by Mr. Car- or his transition staff over spective appointments. His appointment is all the more because the two men had lengthy discussions in the imer, and consumer circles felt that their cause stood a ter chance of representation ler Mr. Carter than under vious presidents.

he hope is still not dead, and Nader's comments may be n as a reminder to the sident-elect of the summer's hanges. But there is concern t a change in the selection cess that Mr. Carter is using his appointments has mini- ed the contribution consumer groups can make.

It had been announced last month that Mr. Carter would make public shortlists of the principal appointments and invite comment on them. But, according to Mr. Eizenstat of the transition staff, the pro- cedure has now become more informal, and the impressions that potential office holders make on Mr. Carter and his advisers in the interviews he is cur- rently holding, is more likely to be decisive.

The consumer groups had been withholding their substantive comments on recommendations until the short lists were made known. In their absence, it is felt that some opportunities may have been lost.

Especial concern centres on the Treasury, Commerce, Transporta- tion and Agriculture Depart- ments. Mr. Nader said that Mr. Carter seems to look on the Treasury Department as "a plantation for bankers, the old line establishment, money- centred people."

In both Transportation and Agriculture, the three names who have been most frequently men- tioned, all Congressmen, are seen as beholden in greater or lesser degree to the industries they would be responsible for over- seeing. To-day Mr. Carter is interviewing Congressman Brock Adams, a democrat from Washington state, who is a pos- sible for the Transportation job. Mr. Reuben Robertson, of the Aviation Consumer Action Group, said that Mr. Adams's record as an advocate of Federal bailouts for the railroads was not an encouraging harbinger.

Similarly Mr. Carter has said recently that his Agriculture Secretary ought to be a man with practical farming experience. The consumer interpretation of this remark and the records of the two men reportedly under consideration for the job (Con- gressmen Berglund of Minnesota and Foley of Washington) is that the Carter Administration will put the interests of agribusiness first and the public last.

PEASANT UNREST IN MEXICO

The dangers of dismantling a myth

BY ALAN RIDING IN MEXICO CITY

FROM THE air, the farming valleys of North-West Mexico look rather like Holland: neat chequer-boards of carefully-ploughed fields; separated only by irrigation canals and paved roads. But on the ground, it is a different story, with entire villages made up of rickety shacks in which peons live in deep squalor. While nearby there are dozens of improvised camps of militant landless pea- sants who are squatting illegally on private farms.

Just as administrations change in Mexico City, the country's chronic rural crisis is once again coming to a boil. Encouraged by the radical rhetoric of Presi- dent Luis Echeverria, who left office last week, and worried that his successor, Sr. José Lopez Portillo will adopt a different agrarian policy, peasants in more than a dozen States have renewed their perennial fight for land.

In Mexico City, some 2,000 peasants have occupied the Agrarian Reform Ministry build- ing to dramatise their demands. In numerous States illegal land occupations are taking place, and in the north-western States of Sinaloa and Sonora, where the contrast between rural rich and poor is greatest, the threat of violence is in the air.

There is however no question of a peasant uprising. The peasants who staked out private farms in Sonora last month were acting on instructions from semi- official peasants' organisations, and most of their demands were met when President Echeverria expropriated 100,000 acres of farmland there on November 18.

The landless peasants who have invaded farms in Sinaloa since the change of Government are more spontaneous and inde- pendent, but most are unarmed and they cannot stand up success- fully to even the smallest army platoon. Now that the authorities have ordered the eviction of these squatters, there may be bloodshed but it will be the blood of the peasants, not that of soldiers or farmers.

But the North-West is never- theless in turmoil, with the con- tradictions between decades of revolutionary myths and the policies of successive Govern- ments suddenly coming to the surface.

At the time of the 1910 Mexican revolution, and the early agrarian reform, the North-West was unimportant agriculturally. But since 1945 the large private farms of the region have benefited from massive Government investment in dams and irrigation canals, which con- verted semi-arid lowlands into lush valleys. And the farmers responded by investing heavily in modern techniques and becom- ing models of the "green revo- lution" that Norman Borlaug pioneered in their region.

To-day, in a country chronically short of food, the North-West has levels of productivity that would be envied in Holland: Sonora alone produces 70 per cent. of Mexico's wheat; Sinaloa provides 40 per cent. of the U.S.'s winter vegetables.

'We're tired of waiting,' said one peasant leader. 'If they want to, they can come and shoot us. All they'll take away is our hunger.'

In the eyes of the peasants, however, these huge "agro- industrial" farms were blatant violation of the agrarian reform law, which limited land owner- ship to 100 hectares of irrigated land per person. The farmers circumvented this provision by putting plots in the names of their children, relatives, or even faithful employees, but single families nevertheless frequently controlled estates of 4,000 or even 5,000 hectares of valuable irrigated land. Successive govern- ments tolerated this situation, particularly as many of the families were in fact prominent politically.

So until the advent of Echeverria, the landless peasants of Sonora and Sinaloa received neither sympathy nor support from the central government. Each president sought to main- tain the myth that every Mexican peasant has a right to a plot of land, but he did so by distribut- ing arid or hilly areas that were barely cultivable. And when large estates—or "latifundios" —were affected, expropriation was often suspended by agrarian injunctions which took years to be resolved by the courts.

Under the Echeverria Govern- ment, the peasants of the North- West suddenly felt encouraged. They heard the President telling the country's peasants to fight for their rights, and they saw the President attacking the wealthy private farmers as reactionaries trying to sabotage his reformist policies. And when Sr. Eche- verria dared to break up the estates of 74 wealthy families in Sonora last month, the peasants of Sinaloa decided to move. And when Sr. Echeverria left office on December 1, without fulfil- ing his promise to give them land, some 3,000 peasants spread through the valleys and para- lysed farming on 43,000 hectares.

But, contrary to reports reach- ing Mexico City, this was not a peasant army in any real sense. About 80 groups of between 100 and 200 peasants each set up squatter camps either on private farms or on the roads beside the land they claimed. In some cases, they kidnapped tractors to pre- vent farmers from working the fields. But, in most cases, their presence alone was enough to kep the owners away.

"It's 22 years since we first petitioned for land," Sr. Saul Salcedo, one group leader, told me. "In March this year we occupied the land for two months and the nwithdrew after new pro- mises were made. But nothing happened, so we've returned for good now." Everywhere the im- patience of the peasants is only tempered by fear, itself in turn disguised by bravura.

But greater political forces are at work that will once again de- termine the fate of the peasants of Sinaloa. Just as Sr. Echeverria sought to weaken the broader conservative establishment by attacking the private farmers of the north-west, so Sr. Lopez Portillo dare not endanger his wooing of the private sector by offending the large landowners of Sinaloa. In addition, the new President believes fervently that the chronic poverty of the pea- sants cannot be resolved by hand- ing out tiny plots, but rather by collectivising communal peasant farms — known as ejidos — and increasing their productivity.

But Mexico is a political entity rather than a commercial venture and the decades-old peasant movement has a momentum which cannot be diverted by simple arguments of efficiency and productivity. Sr. Echeverria did his successor no favour by giving this movement new im- petus, but Sr. Lopez Portillo is nevertheless facing the chronic dilemma of all Mexican presi- dents: whether to buy political time through the economically disastrous policy of land distribu- tion, or to risk the consequences of dismantling a "revolutionary" myth that has kept the country's peasants under control—and in poverty—for the past 60 years.

OVERSEAS NEWS

Japanese economic recovery 'slowing'

TOKYO, Dec. 8.

THE BANK of Japan, in its short-term economic survey, said to-day the tempo of the Japanese industrial production recovery is slowing down.

A total of 505 manufacturing companies covered by the survey reported their production increased 2.2 per cent. in the third quarter this year from the preceding quarter, when a 5.4 per cent. rise was recorded.

The companies said they expect their production to increase 1.8 per cent. in the fourth quarter, the bank said.

Meanwhile, the Japanese Economic Planning Agency has said that West Germany, the U.S. and Japan should take the lead in promoting co-operation among major industrial countries for a sustained expansion of the world economy.

The agency says there is room for these countries to take a more active economic stance because the danger of accelerating inflation has lessened.

It says the tempo of economic expansion currently projected in major industrial countries seems to be too low to reduce unemployment. Economic stagnation in "weak currency" countries tends to reduce the pace of economic expansion in major industrial countries as a whole, it adds.

Senior government officials said to-day that Japan must be cautious about taking steps to cut its huge trade surplus with the EEC because special treatment for the Nine could create problems with other countries, such as the United States.

After strong European demands for action to reduce the surplus which could reach $4.2bn. this year—Japan has agreed to hold bilateral talks on the key issues of car and ship exports, and also to boost imports of certain EEC goods. But Japan is running an even bigger trade surplus with the U.S.—over $4bn. in the first 10 months of the year alone.

Meanwhile, Prime Minister Takeo Miki is expected to confirm his intention of resigning in two or three days following his party's setback in last Sunday's general election, the chief cabinet spokesman said to-day.

His rival and former deputy, Mr. Takeo Fukuda (71), is considered the likeliest candidate to succeed him as leader of the Liberal Democratic Party (LDP) and Premier.

Prices on the Tokyo stock market to-day recorded their second highest rise in the year as Japan's business world showed their approval of the prospect of Mr. Fukuda coming to power.

Mr. Fukuda, a financial expert and former director-general of the Economic Planning Agency, has the support of big business and two-thirds of LDP members of the Lower House of the Diet (Parliament). He favours measures to reflate the economy.

Reuter

ON OTHER PAGES

Kruger fears start of urban terrorism in South Africa

BY QUENTIN PEEL JOHANNESBURG, Dec. 8.

MR. JAMES KRUGER, South Africa's Minister of Police, said to-day that an explosion in a prestige shopping centre in Johannesburg could indicate the start of urban terrorism in the country, but he insisted that the security forces were capable of handling any threat.

He warned the public to be on guard for anything suspicious which might indicate such an attack was planned, and urged restaurants and other businesses to make special arrangements for their own protection.

But in an interview with a Johannesburg newspaper, The Star, he insisted: "I do not believe urban terrorism can get off the ground. The police have got their precautions and are on the alert."

Mr. Kruger's warning follows yesterday's explosion in the Carlton Centre in which an African lost his hand. The man is now under police guard in Johannesburg General Hospital. According to eye-witnesses, he walked into a restaurant in the shopping centre carrying what looked like an army thunder-flash—a blank grenade—which then exploded in his hand.

The incident comes within a week of a massive police search near South Africa's borders with Swaziland and Mozambique, which uncovered a trunk full of Russian-made grenades and ammunition, after two policemen were wounded in a hand grenade attack.

Yesterday, Mr. Kruger announced that he would release all the people being detained under the preventive detention clause of the Internal Security Act by the end of December—but he re-emphasised to-day that such a move depended on an end to unrest in the African townships.

The Minister said 100 people were still being detained, but the proclamation authorising such detentions expires on December 31.

Meanwhile in Windhoek, the latest round of the South African-sponsored Turnhalle talks aimed at drawing up a constitution for an independent Namibia (South-West Africa) ended without clear agreement on the key issue.

That is whether effective Government functions will be restricted to an overall multi-racial central Government, or whether a second tier of ethnically-based bodies will be given some powers, which critics maintain would perpetuate separate development on the South African model.

A Press statement issued after to-day's session was adjourned until January 18 simply stated: "Although concensus could not be reached on all aspects, an incisive and lengthy discussion took place about the essential aspects of a new set-up."

Now a committee of legal advisers will attempt to draw up a final constitution before the talks reconvene.

● One miner was killed, one injured and three trapped when an earth tremor struck the Orange Free State mining town of Welkom to-day. The tremor, measuring 4.8 on the Richter scale, also caused the collapse of a five-storey block of flats and other damage to buildings in the town. The trapped miners were later freed.

Tremor Page 23

$A revaluation defended

BY KENNETH RANDALL CANBERRA, Dec. 8.

THE AUSTRALIAN Treasurer, Mr. Phillip Lynch, said to-day that nobody should have been surprised at the decision yesterday to revalue only ten days after the 17.5 per cent. devaluation of the Australian dollar.

Mr. Lynch told Parliament that the revalution was not a panic measure and the Government had "no sense of alarm" about the rate of capital inflow which had followed the devaluation announcement last week.

However, he gave no indication of the extent of the capital inflow which has been variously described by Government sources as between $A200m. and $A1bn.

Prime Minister Malcolm Fraser said in a TV interview to-night that criticism of the government's latest change in the exchange rate demonstrated a failure to understand the basis of the system which had been introduced with the devaluation last week. He also denied that the revaluation represented an admission that the initial decision to devalue to the extent of 17.5 per cent. was wrong.

Figures released to-day by the Australian Statistician show that in November imports reached a record $A880m., an increase in seasonally adjusted terms of 15 per cent. over October. Exports, however, also seasonally adjusted, increased by 17.9 per cent. over the October figure to a level of $A987m. For the first five months of the financial year Australia has recorded a favourable trade balance of $A801m.

● The Australian Council of Trade Unions voted 13-5 to-day to endorse the concept that the Australian Government should honour existing uranium contracts and that the trade unions involved should accept the necessary mining and transport operations.

The ACTU decision in effect endorses the position taken in recent weeks by the Parliamentary Labour Party even though it is technically in breach of existing party policy as established by the last national conference. The policy will be reviewed again at the national conference in July.

Our Science Editor writes: The Foreign Office last night dismissed fresh allegations by Mr. Tom Uren, deputy leader of the Australian opposition party, that British authorities had secretly buried highly radioactive nuclear waste in central Australia in 1960-61.

Exxon and Petronas sign agreement

By Wong Sulong

KUALA LUMPUR, Dec. 8

MALAYSIA'S national oil company, Petronas, today signed a production sharing agreement with Exxon, paving the way for the American company to resume full scale exploration and development work, which it halted in May last year.

The agreement is basically similar to the one signed between Petronas and Shell last week, and is slightly more favourable to the foreign company than the Indonesian Pertamina deals.

It provides for Exxon to deduct a maximum of 20 per cent. of the oil produced to cover its costs. A further 10 per cent. goes to the Federal and State Governments as royalties, while the remaining amount will be split 70:30 in favour of Petronas.

Petronas' chief, Tan Sri Kadir, said the signing of the agreement with Exxon had been held back for a week to allow the two sides to agree on a common legal terminology and on the terms and reference for the appointment of an independent assessor to calculate the costs incurred so far by Exxon.

Exxon claims that it has spent $U.S.250m. on exploration but this figure is disputed by Petronas.

Exxon's president in Malaysia, Mr. J. G. Walvoord, said the company would begin production on its Trengganu contract area by the end of next year with the installation of two platforms.

The company is currently producing 5,000 barrels daily in its Sabah field, but production would be stepped up to 20,000 barrels by next year.

Tan Sri Kadir said Petronas was now negotiating for a similar production sharing agreement with Conoco, which has found oil but is not yet producing.

Lebanon border clashes flare

BEIRUT, Dec. 8.

GUNMEN clashed in a skirmish between Left and Right to-day near the Israeli border, Lebanon's most explosive area since Syrian forces imposed a civil war truce last month in the rest of the country. The fighting ceased after dawn, left-wing sources said.

Newspapers supporting both ends of the Lebanese political spectrum today reported that Israeli artillery had shelled the outskirts of Bint Jbail, a town held by the Left five km. from the border.

The civil war combatants in the southern Lebanon area untouched by the Syrian advance have remained in positions they held when fighting ceased in the rest of the country, and sporadic clashes and artillery duels have continued. Reports last month that the Syrians might move farther south prompted the Israelis to make a highly publicised move of reinforcements to the border.

Reuter

NEW DIRECTIONS IN POST-MAO CHINA

Order, stability and growth

BY COLINA MacDOUGALL

ONE BROAD conclusion can be drawn about politics in Peking at the moment: however delicate the balance of power at the top the new chairman, Hua Kuo-feng, appears to be the boss, with the powerful support of the military. The leadership seems bent on order, stability and economic growth, and although half a dozen provinces are currently troubled by clashes between rival factions, Hua's establishment seems strong enough to contain them.

There was enough agreement in Peking for the standing committee of the National Peoples' Congress, the highest body in the Chinese Government, to meet last week and appoint a new vice-chairman, Premier Chou En-lai's widow. More controversially, perhaps, the committee also sacked China's well known Foreign Minister, Chiao Kuan-hua and appointed a new one. These decisions were entirely within its constitutional powers and indicate some reversion to pre-cultural revolution stability.

Yet it is perfectly obvious that Chairman Hua only got so far by using an intricate web of personal relationships, old loyalties, careful balancing of rivals, and honouring of old obligations. Many top jobs remain unfilled, presumably because of disputes over who should fill them. Teng Hsiao-ping, former Vice-Premier and heir to chairman Mao, who was sacked in April, presumably at the instigation of Mao's wife, Chiang Ching and her three henchmen, is still in a political limbo.

Vice-Premier Li Hsien-nien, who was hailed as Premier on posters last month, has not been confirmed in the job. Significantly, the widow of a prominent left winger who died a year ago has re-appeared in company with Premier Chou's widow.

Although there is exaggeration in the swingeing attacks on "the gang of four," as Chiang Ching and her three assistants are called, the accounts of how they built up contacts, gave presents, and put their friends and relations into key posts, are too widely repeated to be overlooked. This perpetual power play seems a normal part of Peking life, but one scarcely visible to foreigners until it erupts into an obvious case like that of the former Foreign Minister. He, although a friend and colleague of Premier Chou's for 40 years, apparently allowed Chang Chung-chiao, the toughest of the "gang of four", a hand in the drafting of his unusually hostile U.N. speech in early October.

However, to identify China's future path it is safer for outsiders to keep clear of the personal element, fascinating though it is, and look at the kind of policies Peking seems to be advocating. In this light, the events of the last couple of months look less like the ousting of the "radicals" by the "moderates" than a power struggle which will affect policy only partially.

Foreigners in Peking are finding strong attacks on Chairman Hua Kuo-feng inserted in their letters and newspapers from abroad. The messages, purporting to come from the Peking People's Committee for Mourning Premier Chou En-lai, accuse Hua of using the unpopularity of the "gang of four" to seize power.

Apart from their efforts to seize power, the "gang of four" are really in trouble for the amount of disruption they caused.

Allowing for exaggeration, the intrigues of the gang still seem to have caused many work stoppages. They swooped down on factories, put their friends into influential jobs, held meetings, started disputes, gave contradictory instructions and set one batch of workers against another. The result on the shop floor was indecision, rows, arguments disregard of safety regulations, and marked decline in productivity.

It is a moot point whether this can really be called radicalism. The new leadership certainly intends to stop disruption in the name of politics, with the support of the army if necessary. However the official Press is continuing to promote, at least for the moment, some characteristically Maoist policies.

The Chinese media have continued to refer approvingly to the "Anshan Charter," Mao's precept for industrial management. It involved switching officials on to the factory floor and putting workers into offices on a rota basis. The programme for sending graduates down to the countryside not only continues, but got a boost from Chairman Hua himself, who despatched his youngest daughter to the rural areas.

Revolutionary culture is to continue, even without the benefit of Chiang Ching's guiding hand. The old-style traditional operas are as taboo as they have been since the early 1960s, perhaps more so as the "gang of four" were accused of preferring them to the new ones (ironically since Chiang Ching was a main advocate of the new form). Modern revolutionary opera may have a slightly freer hand to experiment ("let 100 flowers bloom" is the policy) but there will be no going back to the old.

A faint question-mark hangs over the future of education since the development of the economy depends, to some extent, on the training of adequate research workers and technicians. Exams, which the extreme radicals condemned, seem likely to regain some importance.

There has been no sign that the Government might reintroduce material incentives. The production increases which the leadership seeks look likely to be striven for through better management, fewer meetings, clearer directives, and probably tighter control.

This looks like being particularly true of agriculture. One of the striking features of the agricultural mechanisation programme outlined by Chairman Hua last year before he rose to his present eminence, was its down-to-earth systematic presentation. As Chairman Hua described it, certain countries were to copy the model brigade, Tachai, the famous agricultural model which has made great strides in output by enormously hard work in terracing new fields and making its own machinery. Provincial governments were to report on progress twice a year to Peking and the increase in co-operative labour and investment which would follow from joint projects was in due course to lead to tighter collectivism.

The resurrection of the agricultural mechanisation programme since the fall of the "gang of four" suggests that Chairman Hua and his colleagues, though anxious for speedy economic development, have no tendency towards "capitalist restoration."

A commemoration ceremony for Yang Kai-hui, Mao's second wife who was executed by the Kuomintang in 1930, has been held in Hunan where they were both born, Radio Peking reports. The ceremony provided an occasion for further denunciations of Mao's fourth wife, Chiang Ching, whose 37-year marriage to the former chairman has been erased from official records.

According to the programme, production is to come specifically from greater collective investment in the land, not in larger private plots or a free market approach. In the same way, it seems likely that in industry the efforts to boost productivity will be through better organisation, not higher pay and bonuses.

Of course time and the pressures of economic growth may bring about a gradual obliteration of Mao's ideas. But China seems most unlikely to revert even to the "bourgeois" policies of the early 1960s. As things are, the emphasis seems to be at getting current policies to work better. That means adaptation, not complete change.

WORLD TRADE NEWS

BSC woos Japanese investors

BY CHARLES SMITH TOKYO, Dec

JAPANESE COMPANIES are being deterred from investing in Britain by a belief that the U.K.'s labour problems are worse than they really are, Mr. Ron Smith, chairman of BSC (Industry) Ltd., claimed here to-day.

Mr. Smith, who is visiting Tokyo in order to induce Japanese investors to set up factories in parts of the U.K. where British Steel is laying off workers, said he had to spend a lot of his time during his visit "trying to establish that the U.K. is not permanently on strike."

Mr. Smith said "excessive reporting" of British labour problems and relative under-reporting of labour difficulties in other countries was helping to give a bad impression of the U.K. in Japan.

Despite misapprehensions about the labour situation Mr. Smith said he had an extremely encouraging reception from Japanese businessmen and officials. His programme has included (or will include) talks with the Japan Automobile Manufacturer's Association, the Japan Iron and Steel Federation, the Ministry of International Trade and Industry and Keidanren (the Japanese equivalent of CBI).

The "positive" response to BSC's approaches, according to Mr. Smith, included offers to translate the company's material on investment opportunities into Japanese and to organise seminars specifically dealing with BSC (Industry) Ltd's. proposals.

Mr. Smith said he regarded Japan as one of the most promising sources of investment in areas like Ebbw Vale, Deeside and Shotton, where British Steel Corporation is either already laying off workers or plans lay-offs within the next five years (Industry) would pref attract metal working tries (other than the industry itself) into the concerned so that skills could be put to u

Mr. Smith's fears Japanese views of the labour situation appear with the situation Japanese motor where Nissan Motor Co has stated that Britai been eliminated from its potential investment Europe because of the tie motor industry's record.

The decline of free trade in steel

BY OUR INDUSTRIAL AND FOREIGN STAFF

In Amsterdam to-day the leading steel producers of the EEC will be putting the finishing touches to their new trade association, Eurofer, which is seen by the participants as an important element in the programme for restoring stability to the European steel market.

The other aspect is the Commission's new set of measures for dealing with a steel industry recession: these have been worked out over the past few months by M. Henri Simonet, the Commissioner responsible for steel policy, and are due to take effect on January 1. The aim is to curb over-production, prevent prices from falling to ruinous levels, and restrain imports from outside the EEC.

If the European market could be considered in isolation, life would be much easier both for the industry and its regulators. But anything that the Europeans do has an effect on the other big producing nations, Japan and the U.S. The Japanese have agreed to limit their exports to the EEC and these arrangements are now being tightened to bring the smaller Japanese companies into the net. But what the Japanese do not sell in the EEC they may try to sell somewhere else—perhaps to the non-EEC European countries (where there has been a spectacular increase in Japanese shipments this year) or to the biggest market of all, the U.S.

The Americans are not amused by what they see as a diversion of Japanese steel to their market. Hearings open in Washington this week before the U.S. Government's Trade Commissioner, Mr. Frederick Dent, on a charge by the American steel companies that the EEC and Japan have conspired together to bring about an unfair increase in exports to the U.S.

How the Administration will respond is anyone's guess—it could become President Carter's first serious test in trade policy—but the U.S. Government's willingness to take protective action to defend the steelmakers was demonstrated earlier this year, when President Ford imposed quotas on imports of special steels from Europe and Japan.

In all these meetings and discussions the underlying issue is how far free international trade in steel can and should be modified by regulation, either by governments acting independently, or by a supra-national authority like the EEC, or by some form of understanding among the producers themselves.

The argument for regulation is that, without it, prices are driven down to destructive levels whenever there is a slump in demand, everyone loses money, no one invests in new capacity and there is a shortage of steel when the upturn comes. This is why the European Coal and Steel Community was given, among other stand-by powers, the authority to fix minimum prices if a "manifest crisis exists or is imminent."

But to declare a "manifest crisis" and to introduce the battery of protective measures which are theoretically open to it, the Commission has to obtain the agreement of member Governments: that agreement, as was shown when the recession was at its deepest last year, is very difficult to get.

It was partly because of the Commission's failure to act in 1975 that the German, Dutch and Luxembourg steelmakers formed the so-called Denelux grouping. On paper this was a loose association of companies which were in any case linked by commercial ties and by cross-shareholdings; the purpose was to exchange information on demand forecasts, technical matters, and so on. But it was viewed with deep suspicion by the French, who had been most vociferous in calling for a "manifest crisis" to be declared, and perhaps by the Commission, which saw a danger that its own powers were being usurped.

Whether these suspicions were justified or not, the formation of Denelux seemed to spur the Commission into working out new methods of dealing with a steel recession and the European producers into pressing for the formation of a stronger EEC-wide trade association into which Denelux could be subsumed. In both cases the fact that the expected 1976 recovery in steel demand was petering out, added urgency to the discussions.

M. Simonet's proposals envisage improved arrangements on a permanent basis for monitoring and analysing market trends and for influencing decisions on new capacity, but the crutial part of the package relates to a "crisis" situation such as is now generally said to exist in the European market. It involves the setting of production or delivery quotas for individual companies, stand-by power (unlikely to be used in the near future) to publish minimum reference prices and negotiations with third-country suppliers (such as Spain to obtain a better balance between supply and demand. The establishment of delivery quotas would not be legally binding.

Some steelmarkers on the Continent, notably the Germans, still have reservations both about the Commission's general approach to regulation and about the details of the quotas which have been fixed for the first part of next year. To the annoyance of some Eurofer members, it appears that the Denelux grouping will continue to operate.

But, despite these philosophical differences, there seems to be wide support both for stronger Commission measures and for a stronger industry grouping. Eurofer, more fully staffed than the Club des Sidérurgistes which it replaces, will be an important source of advice and information for the Commission, and will use its influence over member companies to ensure that the quotas fixed by the Commission are adhered to.

To the Americans all this may simply strengthen their sense of isolation as the only "free market" steel industry in the Western world. They are profoundly disturbed at what they see as the growing trend towards bilateral agreements between steel-producing nations, leading ultimately to protected markets, rigid quotas and the end of any pretence of free trade. An ominous example, in their view, is the agreement between the EEC and Japan to limit Japanese shipments to the Community.

As early as the middle of last year the American steel companies claim to have picked up the first signs of Japanese tonnage being diverted to the U.S. This year they argue that some 1.5m. tons of Japanese steel that would normally have gone to Europe have been shipped to the U.S.

The American Iron and Steel Institute says that on a historic basis the EEC should take some 4m. tons of steel from Japan but will take less than 1.5m. tons this year. On the same U.S. should take about but will actually tak 8m. tons. Three-quarter difference, the steelmak is made up of steel diver Europe.

In some respects the A are making the familia of dumping, presented i guise. For years they hav that Japanese and governments have codd steel industries, pourin into new equipment, kee plants going to preserve ment and generally their steel companies that no private compan dent on commercial so capital, could imitate.

They now go on to a if certain foreign gove for reasons of their own subsidise their steel c and encourage them to very low prices, there mechanism for protecti market steel industry of the U.S. in period pressed demand. One main objectives in hearings is to get acro incoming Administrat need to initiate seco within the GATT fram the problems of world steel.

The suggestion is tha ger" system might be under which, when the a downturn in the st appeared, special action would automatic into effect to lessen th scramble for markets. international agreemen coming, say the Ameri makers, they will co press for unilateral the U.S. Government t what they describe as "truly open" steel mark world.

The American steel has often made pro noises in the past and to influence the Govern been limited But there ger that if the political continues to build up other steel-producing pay insufficient regar implications of what th the U.S., the Americ be drawn into measures of a far m ranging nature than t quotas on special ste consequences for wo would be serious.

Venezuela needs 400 new buses

A VENEZUELAN Finance Ministry official has revealed that the Government will purchase 400 new passenger buses next year for various domestic routes, our Caracas correspondent reports.

Since 1974, the administration of President Carlos Andres Perez has bought well over 1,000 new buses, most of them from British Leyland and the Hungarian concern Ikarus. Sr. Eduardo Mayobre of the Finance Ministry indicated that the new units would be acquired by a Government entity that finances the transport sector, Inversionista Del Transporte CA.

U.S. footwear curbs opposed

President Gerald Ford's Council on Wage and Price Stability has urged a government tariff panel to reject footwear import restrictions. It told the U.S. International Trade Commission (ITC) that a 20 per cent. U.S. tariff on imported shoes would drive up the cost of footwear by about $2.4bn. a year for consumers or an average of about $2.80 a pair. The Council presented its views at ITC hearings where domestic footwear producers and other witnesses advocated import quotas or other restrictions.

Tractors for Egypt

The Egyptian Government vehicle manufacturing organisation, El Nasr Automotive Manufacturing, has ordered an initial batch of 250 Massey-Ferguson farm tractors for assembly in their plant in Cairo. Value of the order, with parts, is over £1m. This is a significant order for Massey-Ferguson, because for many years the majority of tractors imported into Egypt have originated in the planned economy countries and only a modest number of MF machines have been sold, mainly for private projects.

Massey-Ferguson tractors were chosen after competitive trials, and the contract includes training Egyptian assembly plant workers and after-sales service engineers in the U.K. and in Egypt.

Shell considers tanker purchase to gain subsidy

BY MICHAEL VAN OS AMSTERDAM, Dec. 8.

SHELL TANKERS, the Dutch shipping arm of the Shell Group, has said in Rotterdam that it has "vague plans" for ordering three or four 30,000-ton d.w. product tankers as part of a fleet modernisation programme.

A Shell spokesman said in Rotterdam that, in view of the deadlines to qualify for the Dutch Government's new investment subsidy system to promote the modernisation of the Dutch fleet—and by implication aid the ailing Dutch shipyards — the company had filed an "application in principle" for a subsidy.

Under the new subsidy system introduced in Holland, which has induced a number of shipping companies to carry forward ship orders 4.75 per cent. of the construction price is repaid annually by the Government for five years.

Although Shell tankers' fleet of product tankers are all registered under the Liberian flag, one of the conditions of the Dutch investment subsidy system is the stipulation that the ship ordered would have to remain registered in Holland for six years while there would also be provisions to ensure that its crew would be Dutch.

Shell Tankers' products tankers fleet was last expanded in 1974 with three ships in the 32,500-ton d.w. class which were built on the Haugesund yard in Norway. A fourth tanker in this class is due to be delivered to the Rotterdam company later this month.

The Shell spokesman stressed that the request for the ships investment subsidy did not automatically mean that the company had decided to build the tankers in Holland. Dutch shipbuilding sources estimate that the total Shell order involved could be worth as much as Fls.250-300m. for the four product tankers.

ICI in new quilts deal

BY RHYS DAVID, TEXTILES CORRESPONDENT

ICI Fibres has signed up a third company on the Continent to process its Terylene P3 continuous filament filling material widely used in Continental quilts.

The new unit, which follows earlier installations in Denmark and West Germany as well as in the U.K., is being operated by Politex in Italy who supply the material to Bassetti, one of the leading European home textiles manufacturers.

ICI claims that Terylene P3, which is bulked by a special process to produce the softness and resilience required in fillings, has become the best-selling branded material of its kind since it was introduced in 1968. Early applications were in pillows and upholstery cushions, but the main use has been in Continental quilts.

Total sales of Continental quilts in the U.K. in 1970 were fewer than 100,000 but by 1975 the figure had reached more than 2m. The equipment for producing Terylene P3 was originally developed in the U.S. by the Celanese Corporation.

The special machines are built under licence by ICI Fibres who hold exclusive rights for the process in Europe. Total Terylene P3 production capacity is now between 3,000 and 6,000 tonnes per year.

Terylene for processing on the machines is supplied by ICI in the form of tow produced at its plant at Wilton, Teesside. The company is expecting market growth for filling materials to accelerate as a result of shortages of down and feather over the past 12 months, leading to a doubling in price.

North Sea gas for Denmark

By Hilary Barnes

COPENHAGEN, Dec.

DENMARK will begin receiving supplies of natural gas from its own and the Norwegian sectors of the North Sea in October, 1981, according to a planning timetable presented to the Folketing Finance Committee by the Minister of Commerce and the Economy.

The report was occasioned by a request for Kr.10m. (about £1m.) in new share capital for the State-owned Dansk Olie Naturgaagas, which will buy and distribute the gas in Denmark.

Peugot concedes to EEC

By David Buchan

BRUSSELS.

THE EEC Commiss nounced it has closed a investigation into an a which gave Peugeot, th car company, exclusive manufacture and sell compressor used in p drills on the continent o

Restrictive agreemen (in 1963 but only br the Commission's notice between the French pany and a French fa son team of inventors, and Bernard Zimmern, been changed to meet mission's objections.

The EEC has occ allowed exclusive manuf licences for a specified within the Community has also allowed exp where there are good for giving companies t protection.

In the 1963 agreement was prevented from s the U.K., and the U.K. of the Zimmern family w larly prevented from s the Continent. But the sion principally complai the agreement was of duration (through the of improvement paten had the effect of closi large slice of the Co market to technically e rivals.

Austrian deficit up

By Paul Lendvai

VIENNA,

AUSTRIA'S visible forei deficit in January to jumped by 57 per c Sch.43.3bn. (£1.54bn.) c with the same period l according to provisional published by the Central Statistics.

Exports were up by cent. to Sch.123.5bn. The bill however jumped eve steeply, by 23.7 per c Sch.166.8bn. In October were worth Sch.13.9bn. imports up by 20 pe reached Sch.18.2bn.

As a result, foreign deficits in October were 45.4 per cent. to Sch.4.3bn

HOME NEWS

BSC reduces its investment estimate

BY IAN HARGREAVES, INDUSTRIAL STAFF

[B]RITISH STEEL Corporation [ha]s reduced its estimate of the [am]ount of its revenue it can [de]vote to capital investment.

Sir Charles Villiers, chairman [of] the corporation, told a Com[mo]ns Select Committee yester[da]y that estimates given by his [pr]edecessor, Sir Monty Finniston, [in] July were no longer attain[ab]le.

Sir Monty had suggested that [th]e BSC would be capable of [pr]oviding £2bn. up to 1980 — [ab]out 20 per cent. of the total [co]sts.

Sir Charles said it was not [po]ssible to say how much the [fo]recast would have to be [re]vised.

The main reasons for the [ch]ange are BSC's inability to in[cr]ease prices to levels previously [ho]ped for because of the gener[all]y weak state of the market, [an]d a series of extra costs in[cu]rred in bringing new plant on [str]eam.

The broad picture presented [ye]sterday, however, was one [of] cautious optimism. Three [de]velopments in particular con[tri]buted to this tone: Sir [Ch]arles's assurance that EEC-[ag]reed production targets for [ste]el would not mean the corpora[tio]n restraining its production; [va]stly improved customer rela[tio]ns; and the announcement [th]at agreement had been reached [on] pay and manning levels with [th]e National Union of Blast-[fur]nacemen for certain aspects of the operation of the 10,000 tonnes a day furnace now being built at Redcar.

Sir Charles said his immediate aim was to claw back the corporation's share of the home market, which had slumped from 70 per cent. to 55 per cent. within five years. He believed a 5 per cent. increase in market share was feasible.

The BSC Board had recently given its backing to a six-point plan fo rthe regeneration of the corporation's fortunes. This provided for "continuous dialogue" with Government, improved industrial relations, a drive to cut back the quantity of steel imports, decentralisation, maintenance of the investment programme and continued concentration on getting the best out of the older plants.

Sir Charles said the way to cut import penetration was for the BSC to regain the confidence of its main customers. This had been achieved to a large measure and the corporation now enjoyed "first class relations" with Metal Box, GKN and the car manufacturers.

Mr. Bob Scholey, deputy chairman, said there was a "changed atmosphere" between management and unions since last year's conflicts. One of the most seriously strike-hit plant, Llanwern, was now producing almost 50,000 tonnes of steel a week compared with 12,000 this time last year.

Ulster plan by U.S. company

By Our Belfast Correspondent

THE FIRST investment in Ulster by a U.S. company for seven years is to be undertaken by Synthetic Industries. It is to take over an advance factory in Newry, one of the province's unemployment black spots.

The move represents an investment of £5m. and within two years is expected to provide 170 jobs.

Synthetic Industries is to establish a plant to convert polypropylene resin into tape for use primarily in carpet-backing fabric. A similar plant operates

Mr. Don Concannon, the Northern Ireland Minister responsible for industry said yesterday that the decision was a "major breakthrough" in attracting fresh overseas investment to Ulster.

The 32 American-owned concerns in the province, which represent an investment of £100m., have been relatively successful. Many of them, including Goodyear and Ford, have been able to expand their interests but since 1969, when the civil unrest began in earnest, no new American firms have taken up residence.

The Department of Commerce said yesterday that it was negotiating with at least one other U.S. company to come in.

● Mr. Gordon Smyth, president-elect of the Belfast Chamber of Trade, has urged city centre traders to "drop their siege mentality."

He has put forward a plan for removal of the Army from the city centre and a relaxation of searches at the security gates around shopping areas.

Exporters 'hit by harsh safety rules' imposed by U.K.

BY MAX WILKINSON, INDUSTRIAL STAFF

THE Government was criticised yesterday for making over-complicated safety regulations which hamper exports.

Mr. Ken Edwards, chief executive of the British Electrical and Allied Manufacturers' Association, said in London that almost all other European countries had accepted the European safety standards as being sufficient for their own countries.

But the British Government was not prepared to base its safety standards either on a European code or on the detailed specification of the British Institute of Standards.

Instead, it had issued a series of general regulatiaons which were complicated to interpret and could be tested only in courts.

"We think this opens up an area of vagueness and obscurity and takes away from industry a sound basis for manufacturing and selling," he said.

"Barriers to trade are likely to be created and in some cases may lead to an adverse effect on the price of products to the consumer. Confusion also exists because compliance with regulations as interpreted is no guarantee that the law has been complied with."

Standards worked out by the European Committee for Electrotechnical Standardisation, and interpreted nationally by the British Institute of Standards relate to specific products or areas of manufacture. Manufacturers find it relatively easy to follow detailed codes laid down by these standards committees.

However, the Government has over-ridden these standards by several Acts of Parliament and consequential regulations. These include the Health and Safety at Work Act, 1974, and the Consumer Protection Act, 1961, under which electrical equipment regulations were issued last year. These regulations do not recognise existing international or national safety standards.

Mr. Edwards added: "Industry's problem can be appreciated when, for example, France's regulations on electrical equipment run to a single sheet of paper, but in the U.K., there are 10 pages of regulations and 55 pages of explanation to help interpret the regulations.

"The association maintains that standards which have been drafted with the full knowledge and acceptance of interested parties with the support of the Government's regulatory authorities should warrant acceptance by the Government as the basis for safety regulations."

Leyland's U.K. sales decline as high imports continue

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

tain to sell fewer cars in the U.K. this year than it did last year. But Ford, pressing hard for market leadership, will sell substantially more.

These conclusions, drawn from figures issued by the Society of Motor Manufacturers and Traders yesterday, show the difficulties Leyland had in raising production to the targets it set itself this year.

Leyland's sales were 338,296 in the 11 months to the end of November against 354,678 in the same period last year. Ford's sales reached 309,527 against 243,488.

The figures indicate the impact made by Leyland's decision to concentrate on exports this year, even at the expense of starving the home market of cars. This has meant that the company has been able to profit from the more favourable trading conditions overseas, a policy which is expected to produce profits of about £100m. for the 15 months ending in December.

Car imports last month remained just more than the 40 per cent. reached in August. In a larger total market than last year this meant a substantial increase in unit sales—up to 43,739 for the month against 27,139 last year.

By far the most significant proportion of these new imports came from the Common Market countries, which increased their sales from 18,577 last November to 31,953.

Japanese sales were also up—from 5,125 to 8,307. Sales of imports from EFTA countries fell from 1,599 to 1,440.

Much of the increase in the penetration of EEC cars is due to the vehicles being imported by Ford, Vauxhall and Chrysler. Ford last month brought in 6,547 German-built Capris, Escorts and Granadas. Vauxhall sold 3,356 Belgian-made Cavaliers and Chrysler 1,536 French and Spanish models.

Next year Leyland will also be importing its Allegro model, which it intends to transfer to Seneffe, in Belgium for assembly.

The best-selling car in the U.K. last month was the Ford Escort (10,950), followed by the Ford Cortina (9,181), and the Leyland Mini (6,547). Two imports—the Ford Granada (3,478) and the Vauxhall Cavalier (3,356)—made the top ten sellers list.

U.K. CAR REGISTRATIONS

	November				11 weeks ended November			
	1976	%	1975	%	1976	%	1975	%
British Leyland	29,864	27.83	18,838	24.05	338,296	27.63	354,678	31.06
Ford*	27,552	25.67	22,258	28.41	309,527	25.28	243,488	21.32
Vauxhall*	10,155	9.46	6,396	8.16	108,123	8.83	83,792	7.34
Chrysler*	7,066	6.58	5,442	6.94	79,236	6.47	92,224	8.07
Total British	63,591	59.25	51,202	65.36	764,884	62.46	752,229	65.86
Renault	4,755	4.43	4,133	5.28	53,650	4.38	54,501	4.77
Fiat	4,670	4.35	3,108	3.97	44,416	3.63	36,804	3.22
Datsun	4,590	4.28	2,129	2.72	66,185	5.40	61,905	5.42
VW/Audi	3,223	3.00	2,752	3.51	42,087	3.44	46,686	4.09
Total imports†	43,739	40.75	27,139	34.64	459,699	37.54	389,882	34.14
Grand total	107,330	100.00	78,341	100.00	1,224,583	100.00	1,142,111	100.00

* These figures include cars from the companies' Continental associates which are not included in the total British figure.
† This figure includes imports from all sources including cars from the Continental associates of British companies.

Regional employment policy 'less effective'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

[T]HE TOTAL impact of regional [po]licy incentives and controls [wa]s about 300,000 jobs in the [de]velopment areas between 1960 [an]d 1971, according to a study [pu]blished by the Department of [Ap]plied Economics at Cambridge.

The study, written by Mr. [B]arry Moore and Mr. John [R]hodes, concludes that the case [fo]r and against the Regional [E]mployment Premium as a [m]ajor instrument of policy is perhaps finely balanced. In [s]pite of its shortcomings we [w]ould not like to see it [a]bolished unless it was to be [r]eplaced by something which [w]as demonstrably better for the [d]evelopment areas and for the [n]ational economy."

The authors maintain that the REP is considerably less effective in providing jobs in development areas than was [o]riginally expected.

When REP was at its maximum real values in 1968-70, its [ef]fect probably did not far ex[ce]ed 50,000 jobs. Between 1971 [a]nd 1973, when its real value [w]as roughly halved, its impact [w]as probably no more than [20],000 to 30,000 jobs. This was [eq]uivalent to between 10 and [.] per cent. of the overall effect [of] regional policy on development area employment.

The study states that most [no]n-REP regional policies such [as] industrial development certi[fic]ates, investment incentives, [an]d other forms of assistance, [wo]rk principally by diverting [ne]w factories into development [ar]eas from more prosperous [re]gions. "There is now considerable evidence to suggest that they have been powerful in th's respect" (moving about 1,000 factories and providing about 200,000 jobs).

While REP appears to have strengthend the effect of the regional policy package by encouraging companies to move, there is also evidence that it works in other ways which have had an identifiable (if small) effect on employment in the older indigenous and often declining groups in development areas. Thus REP may have preserved industrial capacity by reducing the rate of plant closures.

The authors say that after regional policy was extended in the 1960s, it became clear that when investment incentives were combined with an industrial development certificate policy the result was "very much more effective" than when the IDC policy operated alone.

In an estimate of the impact of individual policy instruments on employment in development areas between 1960 and 1971, the study says that IDC controls and Government factory building accounted for about 90,000 jobs; investment incentives, building grants, selective assistance, and special development area assistance 170,000; and about 40,000 from REP.

"A Quantitative Analysis of the Effects of the Regional Employment Premium and Other Regional Policy Instruments," Economic Reprint number 4 from the Department of Applied Economics, Cambridge.

'More freedom for charities'

[GR]EATER political freedom for [ch]arities, as long as political [ac]tivities are neither their main [ac]tivity nor object, are recom[m]ended in the report published [ye]sterday of a committee of [in]quiry into charity law and [pr]actice.

The committee, headed by [Lo]rd Goodman, recommends a [ch]arities board, reporting [an]nually to the Home Secretary, which would advise the Charity Commission on policy, registration and deregistration of charities.

Charities should be entitled to more tax-free income and shorter covenant periods: four years instead of seven. They should be able to reclaim VAT after the first £25.

Charity Law and Voluntary Organisations; The Bedford Square Press; £2.

New rules on insurance assets

BY ERIC SHORT

[L]OANS BY an insurance com[pa]ny to its staff or others con[ne]cted with it will not be [ad]missible assets in determin[in]g the company's solvency.

This is one of the features of [th]e new regulations laid before [P]arliament yesterday. These [am]end and clarify the existing [pr]escribed methods of valuing in[su]rance company assets and will [co]me into effect on or after [D]ecember 31.

These regulations are intended [to] set out which assets cannot be used in determining solvency and to limit assets which are admissible.

They make it clear that securities issued by the Government or public authorities, whether national or local, British or foreign, are fully admissible and have no limit. An insurance company could cover its liabilities 100 per cent. with gilt-edged stock, for instance.

Insurance Companies (Value of Assets) (Amendment) Regulations. SO; 15p

[W]INE AUCTION

Record for the Doctor

[T]WO-AND-A-HALF bottles of [pr]obably the most celebrated [G]erman wine of the century—[B]ernkasteler Doctor Trocken[be]erenauslese '21—were sold in [se]parate lots to an American [b]uyer for a record total of £980 [at] Sotheby's yesterday.

One bottle fetched £360, while [th]e half went for £270.

A single bottle of the Weh[le]ner Sonnenuhr feinste Beeren[a]uslese '37 from S. J. Prum, the [m]iddle Moselle's leading grower, [w]ent to the same buyer for [£]115 and a half bottle of Rudes[h]eimer Apostelwein 1727 from [th]e Bremen Ratskeller fetched [£]205.

Among a wide range of fine [c]larets a single bottle of Brane [M]outon 1874 collected £62. [A]nother of Lafite 1861 made £72.

If these and the £335 for a [d]ozen Romanée-Conti '66 were [th]e high points, the sale demonstrated the present, steady rise in the prices of clarets of esteemed vintages.

The auction included probably the most extensive range of 1961 in the London saleroom this year. Prices per dozen were near the boom heights of three years ago and for lesser-classed growths exceeded them.

They included Lafite (£305); Latour (£270); Mouton-Rothschild (£265). Chat. Margaux and Haut-Brion (each £220).

Among the others, Palmer '61 made £170 a dozen, Cos d'Estournel £94, La Gaffeliere and Montrose £88 and Leoville-Las-Cases £86.

Prices of earlier vintages were also firmer. Leoville-Baden '45 fetched £190 per dozen and three magnums of Petrus '53 £180.

The total in an all-day sale that included corkscrews—the top price for which was £195—was £53,105.

HOME NEWS

Plan the cuts to generate exports says Ezra

BY NICHOLAS LESLIE

THE GOVERNMENT must ensure that the public expenditure cuts and other elements of its forthcoming economic package are designed to generate wealth-creating activity, particularly export-led growth, Sir Derek Ezra, chairman of the British Institute of Management, has told the Prime Minister.

The call is made in a letter to Mr. Callaghan which represents the first major public step taken by the BIM in its bid to assume a political role and to become the country's organisation representing managers. To achieve this, it shed its charitable status in October at the same time as Sir Derek, chairman of the National Coal Board, succeeded Sir Frederick Catherwood as its chairman.

In his letter, Sir Derek told Mr. Callaghan that it was the BIM's "considered view" that the forthcoming package should comprise "an integrated programme that relates the proposed cuts in public expenditure to prospects for export-led growth in the light of the world trade developments and the U.K.'s increasing competitive position."

He also sought a return to "higher reward for skill and responsibility and a reduction in personal income tax rates: and to practical encouragement of productive investment."

Sir Derek said he had written to the Prime Minister to express the BIM's "concern over the economic measures which it is reported the Chancellor will announce shortly in order to bring about the conditions under which the International Monetary Fund will provide the loan which the Government is seeking."

He said the BIM supported the aim of reducing, wherever possible, non-productive expenditure and the present level of public sector borrowing. "Neither international confidence nor internal confidence in our economic recovery will be restored until that is done."

Confidence, however, depended on a belief in a total strategy comprising positive as well as restrictive actions for overcoming difficulties. The strategy existed already in the tripartite declaration that fewer resources should be employed in non-productive activity, but that "now needs reinforcing with positive measures."

Developing his theme on the plight of managers—the subject of a speech by Mr. Roy Close, the BIM director-general, on Monday when he warned that the sqyueeze on managers' pay "threatens industrial stategy"—Sir Derek said that the compression of pay differentials has reached a point where there is "serious demotivation."

A move towards restoration of differential rewards was needed, "not only to encourage people to acquire skills, professional qualifications and further education, but also to encourage the efficient movement of professional and responsible people to the places where industry needs *them.*" Public sector managers, faced with the task of maintaining services on reduced resources, would also need encouragement.

Sir Derek told Mr. Callaghan that the BIM will be seeking further consultation with him in coming weeks on any proposed legislation following publication of the Bullock Committee's report on industrial democracy; on the next stages of pay policy; and on the conditions—particularly those affecting management—needed for positive development of industrial strategy.

Statement on future of electricity industry soon

BY DAVID FISHLOCK, SCIENCE EDITOR

A GOVERNMENT statement on restructuring the electricity supply industry, along lines proposed by the Plowden report last January, is expected before Christmas.

Mr. Frank Tombs, chairman-designate of the Electricity Council, who has been working with the Department of Energy on plans for a unified U.K. electricity industry, confirmed this yesterday.

According to the report of the committee of inquiry headed by Lord Plowden, the basic weakness of the industry's structure was "slow and cumbersome central policy-making caused by divided responsibilities and a rigid statutory framework."

It proposed that a single statutory body should take over the jobs of the Electricity Council, the Central Electricity Generating Board, and the Area Boards—the electricity retailers—of England and Wales.

Experience

It is generally assumed that Mr. Tombs would not have been prepared to relinquish his present position as chairman of the South of Scotland Electricity Board, where central control is well established, for the Electricity Council unless he had had a firm undertaking from Mr. Anthony Wedgwood Benn, Secretary for Energy, about the restructuring.

In appointing Mr. Tombs, Mr. Wedgwood Benn said that he would be the first chairman of the Electricity Council with real experience of generation.

Mr. Tombs indicated yesterday that he expected that the new structure would provide for a central policy to emerge for planning, budgeting and fuel burn policy. For example, the question of nuclear reactor choice had never once been discussed by the Electricity Council, said Mr. Tombs.

But he warned that the changes would take years rather than months to implement.

He wanted to see the CEGB—at present responsible for about 80 per cent. of both capital and revenue expenditure—a full partner, not a subordinate, in the new structure. But to-day it was unquestionably the dominant voice.

The principal problem he foresaw at the moment was the sheer scale of electricity industry operations, and the difficulties this entailed for exercising effective leadership. Management practices which had *proved* successful at SSEB—one-eighth the size of the CEGB—would not necessarily transplant to the industry as a whole. Other difficulties were associated with the industry's public image and political relations.

Nuclear energy

On nuclear energy policy, Mr. Tombs — who recently delighted the nuclear industry with a crushing rejoinder to the criticisms of Sir Brian Flowers—said that it was nonsense for Britain to contemplate a non-nuclear future. Britain had to use its temporary advantage in energy from North Sea oil and gas to lay the foundations for a nuclear future—just as the Arabs were doing. The industry had to demonstrate clearly that the so-called renewable energy sources were incapable of fulfilling its needs.

Mr. Tombs acknowledged that, apart from a politically active faction opposing nuclear energy, there was a body of genuine public concern which the industry still had to satisfy. He believed that its worries could be answered rationally. It was paradoxical, to say the least, that people who accepted the existence of nuclear weapons in Britain should raise objections to nuclear power.

N. Sea oil may be worth £50bn. by 1987

BY RAY DAFTER, ENERGY CORRESPONDENT

THE BENEFIT of North Sea oil to Britain's balance of payments could add up to more than £50bn. over the next decade, according to a report published yesterday.

It is expected that North Sea revenue, now beginning to build up, will stimulate economic growth by between 1 per cent. and 2½ per cent annually. Stock markets should receive a boost, say Hoare, Govett, stockbrokers.

The conclusions underline the message being given by Cabinet members to International Monetary Fund negotiators: that North Sea oil has not been mortgaged up to the hilt and that the revenues will trigger the start of the country's economic recovery.

Hoare, Govett set the £50bn. cumulative balance of payments benefit against the £6bn. increase in net overseas debts over the last 10 years.

They estimate that, given the rates at which taxation will be levied on the operators, direct contributions to Government revenue in 1985 could amount to £6bn. per annum. Allowing for indirect effects, the total could exceed £8bn. a year.

The report follows a number of recent forecasts about the balance of payments impact of North Sea oil and gas.

The Treasury has estimated a net benefit from the oil programme of £1.1bn. this year rising to £5.8bn. in 1980 and £16bn. in 1985.

Wood, Mackenzie, stockbrokers, have calculated a potential benefit this year of £1.5bn. rising to £5.5bn. in 1980.

Prof. Colin Robinson and Dr. Jon Morgan of Surrey University, in a paper just published by the Trade Policy Research Centre, forecast a net trade balance benefit of between £4.8bn. and £6.6bn. in 1980, rising to between £9.1bn. and £18.2bn. in 1985 and between £9.1bn. and £21.2bn. in 1990.

Hoare, Govett, while recognising that the oil could be exhausted towards the end of the century, find it encouraging that the incidence of oil revenues is likely to raise U.K. economic growth rates on a permanent basis and to quite an appreciable degree.

ICI spends £11m. in Scotland

By Rhys David, Chemicals Correspondent

ICI WILL spend £11m. to increase capacity at its pyrimidine crop protection chemicals plant at Grangemouth in Scotland.

The extension represents the third phase of investment by ICI in pyrimidine chemicals, which are effective against pests and some crop diseases. ICI said yesterday that the extension, which will use new process technology, will provide capacity for further growth in these products into the 1980s.

The company's first pyrimidine plant was completed at Grangemouth in 1973. A £2m. extension announced in 1975 has just come on stream. The latest addition is due for completion at the end of 1978. It will provide 40 new jobs, bringing total employment on the products at Grangemouth up to about 100.

Principal products in the pyrimidine group are Pirimor, Aphox, Rapid, Milstem, Milgo, Actellic and Blex. The first three are selective aphicides used in agriculture, horticulture and amateur gardening. They are effective on organophospherous resistant strains of aphid. Pirimicarb, the active ingredient of these products, controls aphids such as greenfly and blackfly without harming beneficial insects such as bees and ladybirds.

Milstem and Milgo, based on the systemic fungicide ethirimol, control mildew in barley and wheat. Actellic is an important new insecticide sold on a worldwide basis for the protection of agricultural crops and stored products, and in the public health sector. In these outlets it is overcoming the growing problem of insect resistance to established insecticides.

Computer logs nuclear workers' medical record

BY OUR SCIENCE EDITOR

A HARWELL computer has begun to log the medical records of all British workers — from plant operators to scientists and doctors — who may become exposed to radioactivity during the'r working life.

Within the next six months 25,000 to 30,000 people engaged in the nuclear power and nuclear weapons industries will be registered with the new National Radiation Register.

Thereafter another 40,000 people who use radio-active sources as research or industrial tools, as a means of medical diagnosis or treatment, will gradually be brought on to the register.

Its purpose is to follow all radiation workers throughout their life, to ascertain whether d'fferent amounts of radiation might be responsible for any significant difference in the cause and age of death.

The National Radiation Register is recording the name, identification and radiation dose received by each person, year by year throughout his lifetime, regardless of any changes of occupation or retirement.

This has been made possible through an arrangement negotiated between the National Radiological Protection Board, the independent "watchdog" agency which is setting up the register, and the Office of Population Census Survey, which will notify the Board of the date and cause of death.

An advisory committee which includes Professor Patricia Lindop, Professor of radiation biology at St. Bartholomew's Hospital, London—a promiment critic of nuclear industry activities—has been set up to guide the compilation of the register.

All the workers whose names will go on to the register normally wear radiation film badges in the course of their work, *although* very few receive enough radiation to be recordable on these badges.

Unless small doses of radiation turn out to be much more dangerous than is being assumed at present, it could take about 30 years for the national register to generate statistically useful results. But if the scientists who have determined present radiation dose standards are in error by a factor or two, the evidence could be clear sooner.

Better to be paid in food than cash, says Which?

A WORKER could be better off receiving part of his salary in ham sandwiches instead of pound notes, the latest issue of Money Which?, the consumer magazine, out to-day, concludes in a guide to fringe benefits.

A £400 interest-free loan, paid back over 12 months, could be worth £58 a year more than before-tax pay to basic-rate taxpayers, while even two free hot drinks a day could be worth more than £74 a year in pre-tax pay.

At the other end of the scale, a Ford Cortina 1600 company car is worth an increase in pre-tax salary of £1,188 a year—or more if the worker is on a high tax rate.

The December issue of Which? also warns that consumers may pay over 50p a pint for water when buying frozen turkeys because of the large amount of fluid the birds lose when they are thawed. Some of the birds examined by the Consumers' Association contained hardly any water, but one of the larger ones lost 1.75 pints of liquid.

● NEWS ANALYSIS—NATIONAL INSURANCE

Factors affecting yearly review

BY ERIC SHORT

THE RISES in National Insurance contributions announced on Tuesday reflect the outcome of the annual review which the Secretary for Social Services has to make under the Social Security Act, 1975. He has to consider what changes should be made to benefits and contributions in the National Insurance scheme in the light of changes in the level of national earnings and other relevant factors including, presumably, changes in the Retail Price Index.

The present State scheme pays weekly flat-rate benefits fixed at a given monetary rate irrespective of earnings. For example, the retirement pension is now £24.50 for a married couple no matter what the husband was earning before retirement.

The review of these benefits now takes place in the spring, with the announcement of new benefit levels in April to take effect in November. Thus the most recent rises in old age pen*sions and in* unemployment benefits—15 per cent. and 16 per cent. respectively—came into effect on November 15.

Since April, 1975, the NI contributions of both employees and employers, by contrast, have been assessed as a percentage of weekly earnings up to a given level, with the ceiling fixed at about seven times the basic State pension for a single person. This is about 1½ times the national average earnings. The present contribution rate is 5.75 per cent. for employees and 8.75 per cent. for employers following the increase of one quarter of a point in April.

Those followed the regular autumn review of contributions by the Government, with changes announced in December to take effect at the start of the next fiscal year.

It is into this pattern that the changes announced on Tuesday fall: they do not form any part of the Government's deflationary package. Rather, they were expected as part of an ongoing review, and the new level was known in advance since the new levels of State pension had already been brought in. In effect all the Secretary of State has done this time in raising the earnings ceiling from £95 a week to £105 is to bring it into line with pension levels.

The Government has decided that the contribution rates are adequate: the Government Actuary's estimates of the finances of the National Insurance fund shows a healthy expected surplus of £932m. for the current year and nearly £900m. for 1977-78. The National Insurance surcharge of 2 per cent., also being levied on employers from next April, is a payroll tax; the money is not being put into the National Insurance fund.

Thus an employee earning £95 a week, or less, will not pay any more in NI contributions until his earnings increase, when his contributions will rise pro rata. The maximum increases of 58p a week applies to persons earning more than £105 per week—£5,460 a year.

The self-employed in the State scheme are eligible for certain benefits, such as pensions and sick pay and pay flat-rate Class 2 contributions irrespective of their earnings. This rate is being lifted from 2.41 to £2.66 a week for men and from £2.20 to £2.55 a week for women, the higher increase for women representing the next step in the transitional period to equalise the rates.

Self-employed people also pay Class 4 contributions which are assessed on net profits for tax purposes. Introduced in April, 1975, and the subject of considerable hostility among the self-employed, these are earnings-related contributions. The individual at present pays 8 per cent. of profits between £1,600 and £4,900. These limits are being raised to £1,750 and £5,500 respectively from next April.

The Social Security Pensions Act, 1975, which introduces earnings-related pensions to accompany earnings-related contributions comes into force in April, 1978. From then, pensions will be related to earnings over the best 20 years of an employee's working life. The somewhat complicated *formula* for ascertaining the earnings is based on the present flat-rate pension to *which will be added an earnings*-related portion. The net effect of this combination is to provide a higher pension, expressed as a percentage of earnings, for the lower paid.

The contribution rate required for this new scheme has not yet been officially announced. But the Government Actuary in his calculations put forward the rates of 6.5 per cent. for employees and 10 per cent. for employers—not including any levy. The exact rates should be announced about this time next year. They will depend among other things on the number of employers providing full company pensions. But it is not expected to be less than the rates given.

COMPARISON OF CONTRIBUTIONS

EMPLOYED PERSON

Weekly earnings	Old Employee	Old Employer	New Employee	New Employer
£	£	£	£	£
50	2.89	4.40	No change	
75	4.33	6.58	No change	
95	5.46	8.31	No change	
105 or more	5.46	8.31	6.04	9.19

SELF-EMPLOYED

Annual Contributions (Male)

Annual Earnings	Old Class 2*	Old Class 4	Old Total	New Class 2*	New Class 4	New Total
£	£	£	£	£	£	£
2,000	125.32	32.00	157.32	138.32	20.00	158.32
4,000	125.32	192.00	317.32	138.32	180.00	318.32
5,500	125.32	264.00	389.32	138.32	300.00	438.32

* 52 weeks.

Class 4 contributions are assessed on self-employed earnings between certain limits and are payable in addition to the normal flat rate contributions paid in Class 2.

AA guide to royal Britain

A GUIDE to over 350 places in Britain which have links with royalty, past and present, was published by the Automobile Association yesterday to mark the silver jubilee of the Queen.

Royal Britain, the AA Guide to Royal palaces, castles and houses in Britain, takes 38 areas in Britain where there is a wealth of royal connections, and plots a tour through each, selecting as the starting point the place of greatest interest. It costs £3.50.

The British Tourist Authority, which co-operated in the production of Royal Britain, said the tours should be of considerable interest to overseas visitors.

Overseas fears hit insurance

FEARS OF nationalisation have already influenced overseas agents and brokers in placing business with U.K. insurance companies, says Mr. Aonghais Macdonald, chief general manager of the General Accident Fire and Life Assurance Corporation.

Mr. Macdonald, who makes his *claim in a message to the company's* U.K. staff, recently visited Canada and the U.S. for four weeks.

London branch

THE NATIONAL BANK of Abu Dhabi is to open a branch office in London.

Mr. Roger F. Coyle has been appointed manager of the branch, which when operation will offer a comprehensive banking service and accessibility to financial and business opportunities throughout the Middle East.

Buy seat plea

THEATREGOERS in the seaside resort of Sheringham, Norfolk, are being urged to each buy a new seat at a cost of £23, to help refurbish the town's Little Theatre, which is in danger of closing.

LABOUR NEWS

Terry Kirk

Miners vote on offer

Faceworkers coming night shift at 5.15 ye morning at Snowdon C Kent, to cast their vote at the start of a national union ballot o retirement. The result pected early next wee

The 260,000 members National Union of Mi ers are being asked they endorse their lead jection of a Nationa Board offer and will gi the authority to call in action "if necessary."

High turnout

With a high turnout in those areas which yesterday, the signs ar substantial majority for the union leadersh thus forcing the Nati Board to raise its off a major collision.

The Board has offere incomes policy allows, reduction in the retire from 65 to 62, but n miners. The union w tirement at 60 for next month, dropping mid-1980.

Another Rubery Owen dispu threatens return to work

BY OUR LABOUR CORRESPONDENT

A NEW dispute at Rubery Owen's Darlaston, Staffs, components factory is threatening to impede the planned return of several thousand Rubery Owen and British Leyland workers.

Two thousand three hundred Rubery Owen workers were recalled following settlement on Monday of a pay strike by 120 maintenance engineers. But 60 electricians among them stopped work yesterday demanding payment for some of the time they were made idle by the engineers' dispute.

The electricians, who remained in the factory yesterday, claim they went into the plant at various times during the recent three-week shut down and that although there was work available they were not allowed to do it.

Unless they agree to resume normal working when they meet this morning, the plant will slowly grind to a halt again as machinery falls in need of repair.

Meanwhile Leyland yesterday recalled 1,000 workers to resume Mini production at Longbridge Birmingham and made plans for the return of nearly 5,000 others whose jobs were hit by the *effects of the engineers' strike.* Range Rover and MGB assembly lines are still silent at Solihull and Abingdon for want of components.

Jaguar production also remains seriously disrupted by an inter-union wrangle at the Coventry plant where Transport and General Workers Union members are refusing to work with an Amalgamated Union of Engineering Workers member who speeded up a machine.

Other AUEW meml resisting TGWU move the man, Mr. Terry Cha removed. Some 2,000 been made idle as a r stoppage by 21 TGWU.

Last night Mr. Geor Coventry divisional off the AUEW, described as "anarchy" and ap the men to return. declared himself dis being unable to co TGWU officials. Hi counterpart, Mr. Bill is understood to be o

Further trouble em Leyland yesterday w shop workers at th Oxford assembly pla out protesting at the work study engineers production, which onl on Monday following standstill because shortages, is threaten

Blue Circle staff group still seeks recognition

By Our Labour Staff

OFFICIALS of the non-TUC affiliated Blue Circle Staff Association, which had an application for a certificate of independence under the Employment Protection Act rejected earlier this year, plans to reapply.

Last month the association unsuccessfully challenged the decision of the Certification Officer in the first appeal of its type at the Employment Appeal Tribunal. The association developed from an organisation founded with management assistance, and Mr. Justice Cumming-Bruce said it had yet to prove that it had shaken off the "paternal control" which had brought it into existence and fostered its growth.

Association officials are considering the reasons given by the *Certification Officer* for rejecting their application. They will reapply after taking action to meet these requirements.

The new application may not be immediate because one of the points made by the Certification Officer was that insufficient time had elapsed for the association to demonstrate its freedom from employer influence.

TUC unions are concerned about the growth of non-affiliated staff associations in areas where they are already recruiting. A delegation recently urged Mr. Albert Booth, Employment Secretary, to amend the law so that the impact on industrial *relations* has to *be considered* before a certificate is granted. The TUC also wants unions to have the right of appeal against decisions of the Certification Officer to grant certificates to rivals.

Scots TUC packa fails to win suppo

BY DAVID CHURCHILL, LABOUR STAFF

SCOTTISH TUC leaders yesterday failed to win Government support for a package of alternative economic policies to reduce the unemployment level and prevent further cuts in public expenditure.

After lengthy talks with the Prime Minister and other senior Ministers, the Scottish TUC won an assurance from the Government that their proposals would be given "serious consideration."

The Prime Minister, however, did not accept that the Scottish TUC's proposals were an alternative to the Government's present economic strategy, but merely an extension of it.

The five economic proposals put to the Government in a 15-page document called for firm control on the outflow of capital from the U.K.; control of imports on a wide range of commodities; an end to the role of sterling as a reserve currency; extension of public ownership of key industries; strengthening the role of the National Enterprise Board; and an end to cuts in public expenditure.

In response to STUC criticism of the negotiations for a loan from the IMF, Mr. Denis Healey, Chancellor of the Exchequer, told union leaders that further grim measures were necessary over the next year, and even these might not prevent unemployment rising.

But Mr. Healey did foresee some growth in world trade next year, led by the new U.S. Administration.

Mr. Callaghan repeated his determination to remain in office during the present crisis, and foresaw a better situation emerging within the next few years.

He welcomed the STUC support for the Governme lution plans, and further support while was going through Pa

In their economic the STUC stated that had the highest concen "multi-deprivation" in Europe.

But the trade unio convinced that the eco political future of should not be consi isolation.

The document rej claim that lack of fi investment was the ce nomic problem faced b

Unless major new po tives were taken by th ment, the immediate pr Britain was a smaller efficient and profitable turing sector, and a pe higher unemployment had been acceptable t *ernments since the war.*

The STUC also warne adverse effects of th spending cuts were lik even greater in Scotl for the country as a w

For example, the co industry, with a high p of contracts coming fro sources, was of greate ance to Scotland than to and Wales.

Civil servants amend call on political restrictions

BY OUR LABOUR STAFF

RESTRICTIONS ON civil servants taking part in political activities should be limited by the nature of their work and not according to their grade, leaders of the Civil Service unions argued yesterday.

They were giving oral evidence to the Armitage committee which is reviewing the involvement of civil servants in politics. The unions' previous written evidence to the committee called for complete freedom of civil servants to take part in local and national politics.

But because of fears by the First Division Association, which represents the very senior Whitehall administrators, that such widespread freedom could create problems of credibility for their members—who have to be seen to maintain political neutrality—the unions agreed to press for a more limited freedom. But the unions are still seeking a relaxation of restrictions for the bulk of the Civil Service.

The Armitage committee was set up earlier this year to update the rules governing political activities of civil servants which were introduced in the early 1950s. The committee is expected to report to the Prime Minister next summer.

Journalists meet to-day

NEARLY NINETY journalists employed on the Northants Evening Telegraph, the Wellingborough News Echo and Harborough Mail who have been on official strike since Monday over fringe benefits, are to hold a mass meeting to-day to consider a return to work.

The meeting was called after 26 of the journalists claimed militants were deliberately prolonging the strike. The three newspapers are all members of the East Midlands Allied Press Group.

Hospital m cuts oppose by workers

HOSPITAL WORKERS fuse to carry out orders Continental breakfasts pool patients and cut evening meal sweet cou week.

Mr. George Smith, ad tor of the Liverpool are authority, said last ni economies were being in in the hospital meals from next Monday.

He said a district man team had decided that, to the needs of patients, nental breakfast would vided as standard fare.

In the evening, a tw meal would be served co of soup and the main cou sweet would be cut ou patients "expressed a for soup and sweet with main course.

But Mr. Colin Barn National Union of Pub ployees' North West di officer, said: "This parsi attitude will not be allo continue by NUPE as ou bers will continue to se appropriate breakfast an make certain that a s served after the evening

"The attention of the pool MPs and the *Secre* State for Health and Security will immediat drawn to this unreasonab tude of the Liverpool AH

"The decision will also patients in psychiatric an normality hospitals wh seems, will now receive food than if they were pla prison."

هكذا من الاصل

LESS EXPENSIVE LITIGATION

The Scots' way with the law

By A. H. HERMANN, Legal Correspondent

THE ROBES of the appeal judges sitting in the Inner House of the Court of Session in Edinburgh are more resplendent than those of the High Court judges in London and their wigs seem to be more curly. The benches and desks are littered with rolls and documents and altogether the scene comes nearer to the satirical image of law created by Daumier than does the High Court in London. Yet, in some respects at least, the consumers of legal services are better off in Scotland than in England and the legal profession there, though making less money, is exposed to less criticism and suffers less from internal stresses.

The appointment of the Scottish Royal Commission on Legal Services is viewed by the Law Society of Scotland not so much with the hostility shown by lawyers to the parallel commission south of the border, as with indignant surprise: there is little awareness of the need to adjust the profession to modern times and a good deal of complacency, born of the conviction that Scotland's legal profession is free of the problems vexing other parts of the U.K.

This self-righteousness is, of course, not entirely justified and the peace enjoyed by the Scottish lawyers is partly due to the fact that there is no Michael Zander there to stir things up. But the absence of public criticism of comparable intensity can, in its turn, be explained by the closeness of the small community in which activities of lawyers are more transparent and in which such series of scandals as recently involved solicitors in the south of England could hardly develop. There seems also to be no difficulty in finding a solicitor ready to represent clients who feel harmed by the incompetence, negligence or dishonesty of another member of the profession, as the Scottish Law Society has a panel of solicitors ready to take up such work.

Dispensary

Scottish solicitors, like those in England, are geared to property transactions, and conveyancing, not less ridiculous in Scotland than it is in England, provides more than half of their income. But except for Glasgow, their absence from the districts where legal problems concern social security, tenancy, and employment rather than the ownership of property is less evident. There are no community legal centres with salaried lawyers which cause such a headache to the English Law Society, but Edinburgh has an old-established Legal Dispensary operating on a voluntary basis. Some of the less populated islands are periodically visited by solicitors based on the mainland — the last surviving itinerant lawyers.

A very interesting attempt was recently made—in the way of a test case put before the Appeal Court in Edinburgh—to solve what could be called the Franz Kafka syndrome of the legal service. The split of the modern personality into bureaucrat and human being opposing each other was described in Kafka's novels on the basis of his everyday experience as a lawyer employed by an accident insurance corporation in Prague. As an official, he had the task of finding legal arguments for the rejection or reduction of claims made by the insured wage-earners. As a man with a conscience, he felt this to be unfair to the petitioner, who could not make head or tail of the complicated insurance law. Kafka's solution often was to pay from his own private means a lawyer to advise the petitioner.

The test case brought before the Appeal Court tried to establish whether insurance companies themselves should not do as a duty what Kafka used to do out of charity, namely to pay the cost of legal advice needed by the insured person when preparing his claim and negotiating settlement. Though two insurance companies are clearly the real movers in this case† the dispute as presented to the court was between a man who smashed his car while trying to avoid a taxi cab, allegedly driven on the wrong side of the road. The insurance company of the taxi cab driver agreed to pay £500 for the total loss of the car but refused an additional claim for £50 which the owner of the car paid to a solicitor for advice when negotiating a settlement with the insurance company. After a debate of the legal issues, the sheriff took the view that there is no claim in law for pre-litigation expenses and the appeal was against this preliminary decision of the sheriff.

The Second Division of the Appeal Court confirmed the view taken by the sheriff. The three judges said in an Opinion handed down on October 29 that it had not been doubted in over 100 years and was in line with the established law that the legal and other expenses incurred in vindicating or establishing or defending a claim cannot be claimed as damages.

Papers

The case is symptomatic of the shift from litigation to legal counselling when disputes are more frequent between private individuals and large institutions or local authorities, rather than between private individuals. The conduct of its hearing by a bench of three judges presided over by Lord Kissen was much less of an unarmed combat between counsels than is usual in London. Lord Kissen is well known for his thorough study of the papers, enabling him to form his views during a trial very quickly. This relatively greater importance of written procedure reminds one of Continental higher courts which tend mainly to rely on written pleadings thus depriving the court room of much of the drama so dear to court reporters and novelists—but saving much time and money for the litigants.

The case also illustrates the important place which the Debate of legal issues, preceding the taking of evidence, has in the Scottish judicial procedure. The legal view taken by the judge at the end of the Debate enables the parties to decide whether the full trial is worth while. Very often the parties can reach an agreement about the facts more easily than about points of law and many disputes end by settlement reached between the parties after the Debate, thus avoiding the costs of a full trial.

Also Scotland's six sheriff courts provide for relative cheapness and speed of litigation. These courts have a very wide jurisdiction in civil matters, unlimited in value, and summary procedure f[or claims] up to £500. Appeals [from the] judge of the sheriff [court go] first to the Sheriff Pri[ncipal and] only in exception[al cases] directly to the Court o[f Session].

The sheriff courts [deal] with all criminal cas[es within] the sentencing limi[t of two] years of imprisonme[nt], for minor offences de[alt with by] lay magistrates in [District] Courts, and crimes re[served for] the High Court of J[usticiary] which consist of the sa[me judges] as the Court of Ses[sion] wearing different [robes and] titles for the occa[sion]. High Court has ex[clusive juris]diction over tre[ason, murder,] rape, incest and [deforcement] of messengers," a S[cots term] for the obstruction [of officers] of court.

Compared with [English] criminal procedures [the main] cost-saving differen[ce in the] Scottish system [is the] prosecution operated [under the] control of the Lord [Advocate] and the Crown Offic[e in Edin]burgh. As all who [have read] *Sutherland's Law* [...] must know, the procu[rator fiscal] can very effectively [drop] doubtful cases submit[ted by the] police and speed up t[he] preparing the prosec[ution] in the administrative [...].

In addition to the [...] differences which ten[d to reduce] the length and cost o[f civil] and of criminal [procedures in] Scotland, there are a[lso] features of Scottish [substantive] law which have the s[ame effect]. As claims for damage[s are at the] root of so many disp[utes, at pre]sent, it is of great [importance] whether the law giv[es the parties] time to reach amic[able settle]ment or obliges them [to go to] court as quickly as [possible]. The English law, whi[ch entitles] the person to intere[st on the] amount of damages [only from] the time a writ was [served on] the defendant, [...] results in many m[ore cases] being taken to c[ourt than] Scottish law, which p[rovides for] the award of such int[erest from] the date of the acci[dent] independently of the [time the] action was started.

† James Shanks v. Gray, Interlocutory a[ppeal hear]ing before the secon[d Division] of the Inner House o[f the Court] of Session.

ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

THEATRES

THEATRES

CINEMAS

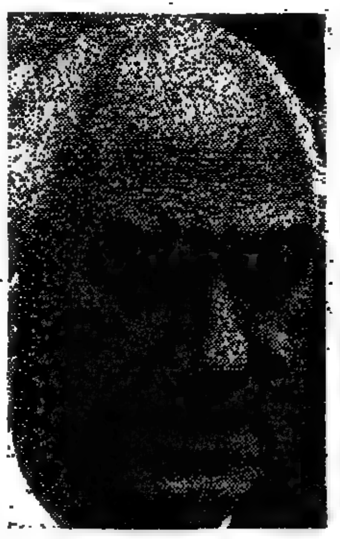
Few, if any, faults in Bank's system

BY MICHAEL BLANDEN

ie second report on the Bank of England oduced by the Select Committee on Nation-sed Industries is generally favourable to e Bank's present methods of operation. ithin its terms of reference, the Committee ys: "We have few, if any, faults to find th the way in which the Bank discharges responsibilities and manages its own airs."

The Committee points out, however, that terms of reference are restricted, excluding ch important areas of the Bank's activities monetary policy and exchange control. It suggests that if members of Parliament feel there is inadequate opportunity to scrutinise on the floor of the House the monetary and financial policies implemented by the Bank, it is open to them to appoint a select committee specifically for this task.

Yesterday's report is a sequel to the original one on the Bank in 1970. That made a number of important recommendations, referring particularly to the Bank's financial relationships with the Government and the publication of its report and accounts, which have mainly been put into effect.



Sir Donald Kaberry, Conservative MP for Leeds, North West, and chairman of the Select Committee.

Fringe benefit changes suggested

5 MAIN points of criticism the report include the bling up of economic foreting in the Bank and the asury—where it is suggested only one economic model ald be used jointly—and the ous fringe benefits enjoyed Bank staff.

'hile accepting that these are line with the benefits nally offered in banking, "in r of the current financial ation, we feel the time has e to bring such benefits e into line with the charges the public at large have to ," the report states.

he Committee also argues, the support of the Bank, the transfers of the Bank's its to the Government, following the recommendations of previous report, should take consideration the Bank's d for retained profits to maintain its capital adequacy in line the standards that it imes on other banks.

ne report begins by describ the major changes to the k's activities since the Comee's first report. These ine, in particular, the introtion of the new policy of mpetition and Credit Control 971, the related changes such he replacement of Bank rate the minimum lending rate nula, and the substantial elopment of the Bank's superory activities leading to last mer's publication of the ite Paper on the licensing of osit-taking institutions.

Favoured

n oral evidence, the Governor fended the relatively informal stem of supervision favoured the Bank. "While he would content," the report says, "to e the basis of the system reston a statute, he would be ry unhappy indeed if the ails of the system were a tter of rules and regulations d down by statute."

The report also describes the port operations of the banking feboat" arising out of the nge bank problems of 1973 and 4, before passing on to the sent situation at the Bank.

Commenting on possible aches of exchange controls, Committee says that the ernor stressed in evidence enormous volume of transons involved and the importe of ensuring that the busis of the country was not ed by the controls. For that on much of the day-to-day ration was delegated to authorised agents—about 250 authorised banks and 40,000 authorised depositaries.

"The Governor is satisfied that the control does work satisfactorily and performs the task assigned to it—but it requires constant management and revision."

The Committee was unable to pursue with the Governor a particular case that has recently received publicity and is being investigated by Scotland Yard, "but the Bank appears to have been alert and energetic in the matter and to have acted with propriety."

On exchange rates, the Committee describes the consultation between the Bank and the Treasury on intervention policy. "The Treasury admits that the record in this area has not been invariably good."

What had become clear in the last couple of years, the Treasury commented, was that "the dominant influence on the course of the exchange rate is not what we would regard as a cool, rational long-term assessment of where a particular exchange rate ought to be, but influences which bear on the market in a particular way at a particular time and influence market expectations about any particular exchange rate in a bearish way in a rather short space of time." That tended to produce, the report says, very sharp pressures which were quite unpredictable.

Commenting on the Bank's holding of BP shares, the Bank said in evidence: "Obviously the question of disposing of it involves wider interests than our own—the interests of the Government, in particular—and the question of disposal is one we shall have to decide in conjunction with the Government."

And: "At some time, of course, it would certainly be right that we should dispose of those BP shares that we bought from Burmah, but no decision as to the timing of that operation has yet been made."

Discussing the problems of managing the Government debt, the Committee found no criticism in the market of the way in which new issues were handled. "Radical changes seemed unlikely; Sir Jasper Hollom, the deputy governor, had emphasised the serious nature of the problem of financing very large Government requirements.

"If we could see any changes of mechanism or technique which we thought would help us, we would certainly not hesitate to explore and try them out," he said. "Although we keep a watch for any improvements which we could effect, I do not believe that we have identified any that are worth pursuing."

Commenting on the Bank's position in the City, the Committee emphasises that it is not a "spokesman."

"The general consensus appears to be that the relationship between the financial institutions and the Bank of England is something that cannot be improved upon, that there is great envy abroad about our system, and that British banks would not wish to have a relationship with the central bank that the big bankers in America have with the Federal Reserve.

"The fact that London is the financial centre of the world is said to be due to the relationship between the Bank and the financial institutions."

In relation to finance for industrial investment, the report quotes the views of Mr. Denzil Davies, Minister of State at the Treasury, who suggests that the banks might play a greater role.

"I don't think it is purely a question of lack of demand for finance. I think it is the traditional role of the City of London as a provider of international finance that has possibly led British banks not to concentrate so much on providing finance in industry." The London clearing banks, the Committee adds, took a rather different view.

Discussing the proposed banking legislation, the report quotes the Governor: "I think the case for legislation rest on two points. The first point is that we shall have an obligation under the EEC rules to have an authorising procedure which says that somebody gives a licence for people to operate."

The seond, he said, is that, in the part of the large financial sector which lies outside primary banking, "we are dealing with people whose affairs have never been our responsibility before, and I think that to move into a supervisory position in relation to them, we should have to rely on statutory as opposed to customary authority.

Finally, the Committee turns to the Bank's accountability to Parliament. It states: "One of the general conclusions of the Select Committee's original report was that it is a matter for consideration whether in those areas where the Bank operates as an arm of Government its activities, along with those of the Treasury, should be subject to examination by a Select Committee on Economic Affairs. These aspects of the role of the Bank of England are specifically excluded from our order of reference, and neither our predecessors who were responsible for the original report nor ourselves would recommend that the Select Committee on Nationalised Industries was the appropriate body to undertake such an examination.

"Nevertheless, the question remains a matter for consideration and we put it to the Minister of State. He said in reply that he thought the Government view was that there is already considerable accountability through Treasury Ministers for monetary policy. The Bank merely operates as an arm of Government, giving advice to the Government, but at the end of the day the Treasury, the Chancellor, and Government Ministers decide; and the general view would be that accountability is, in fact, there.

"There are plenty of members on the floor of the House, and indeed in their committees, to question very closely the decisions of Government" and there are plenty of opportunities for doing so, in debates on economic matters, at question time and during statement.

"As to the separation from Government of banking systems in other countries, the Minister felt that our system was much better: 'At the end of the day, the Government and the Treasury decide these matters—the Bank advises, but it is the Government who decide'."

The report also includes valuable background information in the form of appendices which cover, among other areas, the econometric model which underlies the Bank's economic forecasting and the details of the fringe benefits available to Bank staff.

Seventh Report from the Select Committee on Nationalised Industries: The Bank of England. Commons paper 672. SO, £3.60.

MEMBERS OF THE COMMITTEE

Sir Donald Kaberry (Cons., Leeds N.W.) (chairman), Mr. Joe Ashton (Lab., Bassetlaw), Mr. John Golding * (Lab., Newcastle-under-Lyme), Mr. Russell Kerr (Lab., Hounslow, Feltham and Heston), Mr. Giles Shaw (Con., Pudsey), Mr. John Spence (Con., Thirsk and Malton).

*** Succeeded by Mr. Neil Carmichael (Lab., Kelvingrove) in July, 1976.**

Final decision remains with Government

Mr. Gordon Richardson, Governor of the Bank of England.

In conclusion the report reiterated the Treasury Minister's statement that "the Bank advises, but it is the Government who decides." Much of the criticism commonly levied against the Bank of England is emotive and uninformed. Nationalisation in 1946 meant essentially that the Bank became agent for the Government in all aspects of the formulation and execution of monetary and financial policy.

Clearly, under these circumstances the Bank cannot be held responsible for such matters as the decline in the value of the £, or whether the Bank does or does not intervene in support of sterling—except in so far as it advises the Government in these matters. What advice the Bank gives is not known outside the Government: nor does it necessarily follow that the Bank's advice will be taken.

The Government obtains advice from a variety of sources but, in the end, it has to come to its own conclusions. In giving effect to Government decisions, the Bank does what it is instructed to do, whether it likes it or not. It was made clear to the Select Committee of 1967-68 (when the inclusion of the Bank of England in our terms of reference was being considered) that, if the Bank showed any signs of wanting to conduct a policy independent from and in contradiction to the policy of the Government, "directions would be pretty smartly forthcoming."

As far as the ordinary work of the Bank is concerned, the machinery for undertaking its many and varied duties and the efficiency with which it carries them out are widely acclaimed. The Bank certainly has the entire support of all the financial institutions that have given evidence, both oral and written, and we received eloquent proof during our visits to Washington, New York, Frankfurt and Amsterdam, that it is much admired abroad. In foreign financial circles generally, the Bank of England is held in the highest esteem.

Efficient

Within the restricted area of our terms of reference we have few, if any, faults to find with the way in which the Bank discharges its responsibilities and manages its own affairs. It is an efficient and familiar channel of communication between the Government and the City but, contrary to what is frequently alleged, the Bank is not the "spokesman for the City."

Nor, according both to the Treasury and to the financial institutions themselves, does it inhibit closer understanding between the City and Whitehall. It does good work in collecting, interpreting and making available banking statistics and information, and economic and industrial intelligence: and it can no longer be held to be secretive and aloof except in matters of policy direction by the Government, on which it must remain silent—even to this Committee.

Nevertheless, we have to accept that the word "policy" can cover a very wide area in financial and banking terms, and it severely restricts the nature of our inquiries and our report.

In these matters of Government policy, it is the Government and not the Bank that must be accountable to Parliament. If Members feel that there is inadequate opportunity to scrutinise on the Floor of the House the monetary and financial policies implemented by the Bank of England, it is open to them to appoint a Select Committee of the House to undertake this task—which is specifically excluded from the Order of Reference of the Select Committee on Nationalised Industries.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Finance for housing: While the Bank of England is not directly concerned with the building society rate, liaison between the Bank, the Government and the Building Societies Association is such that it should be possible adequately to control the flow of funds to housing.

Policy in relation to foreign banks in the United Kingdom: The non-statutory situation and the open policy pursued by the Bank are an important part of the attraction of London as a money centre. The fact that elsewhere in the world there is a much more rigid and legalistic approach to banking is something that operates to London's advantage.

Publicity

Exchange control evasions: Alleged evasions and breaches of the control regulations are rigorously pursued by the Bank, and when brought to light and the offenders are caught, maximum publicity is given. The losses which are suffered constitute an insignificant proportion of the total transactions. In the case which has recently received publicity and is currently under investigation, the Bank appears to have been alert and energetic and to have acted with propriety.

Exchange Equalisation Account: Although we recommend that as much information as possible of the Bank's activities should be made generally available, we accept that public disclosure of the scale of intervention operations would compromise freedom of manoeuvre in managing the Account in the best interests of conserving the nation's foreign exchange reserves. Our terms of reference prevented us from making any detailed investigations.

"Spokesman for the City": Whatever may have been the situation in the past, the Bank does not aspire to act as spokesman for the City nor, in the view of the City financial institutions, is it possible for the Bank to do so. Although the institutions tend to use the established channel of communication between the Bank and the authorities, they do not hesitate to deal direct with the Government whenever necessary.

Liaison with the financial institutions: There is a general consensus that the relationship between the Bank and the financial institutions cannot be improved upon, and that it is much envied abroad.

Organisational innovations in the finance services industry: Although the initiative taken by the Bank in setting up the specialist City committees is applauded, and it is felt that the NEDO committee on industrial investment is likely to serve a useful purpose, there is not thought to be much scope for a "little Neddy" for the finance industry, since its primary function is not applicable to City institutions. There is even less enthusiasm for the idea of an independent body organised, controlled and paid for by the finance services industry, to speak in the common interest and provide a framework for co-operation and consultation.

Statistical and information services: We are glad to see that the Treasury and the Bank have responded to our original recommendation about publishing in retrospect information on decisions affecting the markets, and we note the Treasury's acceptance of the principle that it is to the public good that there should be a full understanding of economic policies. We still feel that restraint is needed on the part of all concerned to avoid the unnecessary proliferation of statistics, but we entirely agree that the statistical and economic information published by the Bank of England should be made freely available to those who need it.

We are conscious of the excellent work that is done in the Economic Intelligence Department of the Bank, but we question the practical advantage of duplicating effort and resources in both the Treasury and the Bank on economic forecasting, and we suggest that consideration is given to using only one Treasury/Bank model for this purpose. We feel that a better purpose might be served if the Treasury devoted some of its effort to obviating the gross errors in macro-economic assumptions that appear to find their way into public sector budgets.

Industrial intelligence: With regard to the Bank's development of industrial intelligence we accept that, while it would be wrong to apply additional resources to this work, the application of the resources that are being used is justified.

Management / staff relations: The Bank has a long and satisfactory record of development in the important area of staff consultation, representation and negotiation. Since 1971 important progress has been made in fostering and facilitating the updating of existing machinery to meet the wishes of the staff and to match the best standards of development in other organisations.

Staff benefits: We have examined in detail various "fringe benefits" enjoyed by the staff of the Bank. The management appears to have acted properly in providing for its staff the benefits normally available to the staff of comparable institutions in the private sector.

However, in view of the current financial situation, we feel the time has come to bring such benefits more into line with the charges that the public at large have to bear.

Branch re-development: In our previous report we queried the policy of re-developing Provincial Branch notes centres (which we had described as "security warehouses for Bank notes") on premium sites in the centre of cities. On further examination in the present inquiry, with particular reference to the current development at Glasgow, we accept that security considerations which dictate the choice of site must be regarded as overriding.

Part-time directors: The proportion of non-executive, part-time directors on the Court was a matter of some contention when the Bank of England Bill was being drafted and has since continued to provoke discussion. Now, as in 1945, the Governor has spoken strongly in support of the valuable experience provided by these part-timers and of the work they undertake as members of the standing committees of the Court.

The 1946 Charter provided that they should receive fees at the rate then payable of £500 a year—which is all they at present receive. We consider it our duty to record with appreciation the services rendered by the 12 part-time directors of the Bank at so little cost to the State.

Published accounts: Since 1971 the Bank has published full accounts in accordance with our original recommendation. We noted that the Bank had not complied with the suggestion that the net profits of the Issue Department should distinguish between the profits from dealings and the income from interest arising from the Bank's holdings of gilt-edged securities.

Artificial

We accept the Bank's explanation that such differentiation would be wholly artificial and, if published, would only serve to mislead the public. We have no other comments to raise on the presentation of the Bank's Reports and Accounts, which appears to us to be very satisfactory.

Capital Expenditure: Capital investment in premises and equipment during the period 1970-75 was considerable, and not all items of expenditure could be tested (as we had recommended previously) against the criteria used for other public corporations. We accept the need for what has been done but look for a reduction in capital outlay when the present programme is completed.

Appropriation of profits: A further recommendation of our original report was that the profits of the Bank, after appropriate provision for working capital and reserves, should be surrendered to the Government. Over the five years 1971-75, payments to the Treasury in lieu of dividend totalled £30.5m., while capital and reserves rose by only £5.1m. (or 4.5 per cent.). In our view this is not an adequate or appropriate provision.

We recommend that in future negotiations for deciding the amount to be paid to HMG in lieu of dividend, full weight should be given to the requirement that the capital adequacy of the Bank of England should not be allowed to fall short of the standard that the Bank imposes on other banks.

APPOINTMENTS

Lazard posts for M. J. Bentley

Mr. M. J. Bentley is leaving the Boards of Mercury Securities and S. G. Warburg and Co. from December 31 and is to be appointed a director and executive vice president of KOREA MERCHANT BANKING CORPORATION in Seoul. KMBC is owned as to 50 per cent. by LAZARD BROTHERS AND CO., and 50 per cent. by Korean interests. Mr. Bentley will join the Board of Lazard Brothers from January 1. Mr. D. G. Eastmond has been re-appointed an executive director of Lazard Brothers following his two year secondment to the Department of Industry.

*

Mr. G. R. Tiplady has joined the Board of the FORD MOTOR COMPANY at executive director, tractor U.K. He was formerly general sales manager of the company's tractor operations in this country and succeeds Mr. L. V. Chivers, who for health reasons relinquishes the position at his own request. Mr. Chivers will remain on the Board as a non-executive director and will act in a consultative capacity to the executive directors.

*

Mr. Don Gray, sales manager of AUTOPACK has been appointed sales director.

*

Mr. David Ford has joined the Board of the DATA RECORDING INSTRUMENT COMPANY as marketing director. He was previously with Hewlett-Packard.

*

Mr. Umberto Zanni has joined the Board of BRITISH RESERVE INSURANCE COMPANY in place of Mr. Umberto Losardo, who has resigned. Mr. Zanni is general manager of the company's parent Riunione Adriatica di Sicurta, of Italy.

*

Mr. A. W. Wheatley, formerly chief actuary of the AUSTRALIAN MUTUAL PROVIDENT SOCIETY, has become deputy general manager in place of Mr. L. G. Oxby, who has retired.

*

Mr. Peter Menneer has been appointed deputy managing director of RESEARCH SURVEYS OF GREAT BRITAIN. He joins the company on January 4 and will be responsible for RSGB's Ad Hoc Research. Mr. Menneer is at present a director of British Market Research Bureau.

*

Mr. J. T. Ralph, deputy chairman of AUSTRALIAN MINING AND SMELTING, has become chairman in place of Mr. F. F. Espie, who remains on the Board. Mr. J. B. Shackell, who was recently appointed chairman of the Broken Hill Associated Smelters Proprietary, has joined the Board of A M and S.

*

From January 1, Mr. Hugh M. Bull is to become finance director of the ASSOCIATED PORTLAND CEMENT MANUFACTURERS, parent company of the Blue Circle Group. He will succeed Mr. Alan B. Patrick, who retires from that post at the end of this year. Mr. Bull was previously finance director of Blue Circle Cement, Johannesburg.

*

TOOTAL has made the following changes in the garments division. Mr. J. A. Massey becomes managing director of Tootal Fashion and chairman of Fleet Jerseywear and Judy Childrenswear in succession to Mr. R. A. Maddox, who is to take up a senior position in the group. Mr. Massey was previously a director of Sidroy and managing director of Pool Lorrimer and Tabberer, a subsidiary.

*

Mr. J. S. Griffiths resigns as a director of LINREAD from December 31 and will also relinquish his executive appointment as managing director of the aircraft products division of the company on that date.

*

Mr. J. R. Cowen has resigned as a director of FRASER ANSBACHER and subsidiaries but is retained as a consultant to Henry Ansbacher and Co.

*

Mr. John L. Owen and Mr. Jeronimo Villalba, directors of MERRILL LYNCH, PIERCE, FENNER AND SMITH, have been appointed joint managing directors at the London office.

BOOKS

Hard-hearted hedonist

BY C. P. SNOW

Norman Douglas by Mark Holloway. Secker and Warburg, £6.90), 519 pages

Question in the Honours School of Contemporary Ethics, 1979: Compare the behavioural life of Norman Douglas with that of *either* Albert Schweitzer *or* Albert Einstein, and state which is your preferred model in terms of (a) social justice (b) race relations (c) authenticity. Give reasons for your choice.

Norman Douglas was for a long time a cult-hero in libertarian circles. This is the first time that his life has been treated to a thorough and comparatively detached biographical examination. On the whole, Mr. Holloway has been fair and judicious, though at times he overdoes it a shade in the direction of smiling benignity. He is also occasionally not suspicious enough about some of Douglas's unsupported statements. Even people of the highest probity can't be trusted blind over every statement. *Anyone who has experimented in biography has to* grapple with that truth.

It is almost certain, for instance, that Douglas grossly exaggerated his income as a smart young man. It is even more certain that he suppressed the reasons why this income ceased.

Nevertheless, Mr. Holloway has lit up a curious figure in early 20th century literary history. No one could say that the story isn't interesting. It would be an understatement to remark that Douglas's life was an unusual one.

He lived to be 84 (1868-1952), during which time he never seems — at least from about 19 onwards — to have done a thing he didn't want to do. Further, he did a great many things he did want to do. *His grandfather* was an energetic Scotsman who had started a textile business in the Vorarlberg in Austria. He made money, and his son and grandson (Norman and his elder brother) were all brought up in the environment of the Austrian privileged classes. It was not until Douglas was sent to an English preparatory school that most of his companions were not German speaking. He didn't like English schools, and insisted on transferring to an Austrian gymnasium. He was strong and physically presentable. He was also precocious, and had a robust allure, in which he had unshakable confidence. There were girls in plenty. It is not certain when boys came in.

There was also natural history, for which he had a genuine passion. He wrote adequate papers in descriptive zoology. He wasn't conceptual, but he was always more of an observational naturalist than an imaginative writer. His literary interests, as Lytton Strachey discovered when they had exhausted a more imperative topic, were perfunctory.

In his early twenties he entered the Diplomatic Service, and was posted, since he had picked up some Russian, to St. Petersburg. There he fashioned for himself — as he did for the next 60 years — his pattern of a satisfactory life. He claimed to have had two mistresses simultaneously on call: one for whom there is independent evidence, another, for *whom there is no evidence* at all but his own, in the highest court circles. Again according to his own word, the latter became pregnant. Without saying goodbye to her, Douglas thought it wise to hop it.

That was the phrase he used on many subsequent occasions over the years. He had the distinction of having, to avoid the law for various sexual performances, to get out of four countries at a few hours' notice, Russia, *England, Austria, Italy.* As an honorary citizen of Capri in his late seventies, he very nearly had to run again. Incidentally, it is difficult to believe the reason he gave for escaping from Russia: but hop *it he certainly did.*

He established himself in the Bay of Naples, which he was to write about in *Siren Land:* not precisely a spiritual home (the need for which he would have given raucous chuckles over) but certainly a carnal one. Here, if not earlier, he developed an addiction (sometimes it seems to have been a tic rather than a passion) for young boys, very young boys, often not yet adolescent. Some of these attachments went on for years.

Mr. Holloway says, of the serious affairs, that the boys in later years said they had gained from them. Douglas loved educating. In some ways he had the devotion of a Scottish pedagogue, and even looked like one. In old age, he looked even more like one of the Scottish lawyers, strong visaged, claret-nosed, that Raeburn loved to paint. The principal boy figures (Eric, Mr. R., Emilio) in Douglas's life all married and kept affectionately in touch with him. About the casual promiscuous pick ups, of whom there must have been hundreds, history doesn't relate anything. Even in the most permissive society, of course, it is hard to imagine Douglas's activities being viewed without disapproval. Hence the necessity to hop it. He would have been obliged to hop it to-day.

What were the parents doing? The answer is simple: Most of his boys came from the poorest of the Italian poor. Douglas was an impressive Anglo-Saxon gentleman. They thought that he must have money (he hadn't, but he had more than they would ever see). He was kind. The boys loved him (which was true). The only exceptional case was Mr. R., who was 15 when Douglas picked him up and who was the son of middle-class Corsicans.

As he grew older, Douglas's interests narrowed. Food, drink, and more obsessively than ever young boys. He had to scrape a living for his needs. He was often helped out by benefactors. He had never liked writing, and came to like it less than ever. He spent time trying to squeeze money out of his previous work. He wasn't naturally creative. He wrote good clear unadorned English and had an inquisitive naturalist's mind, but that wasn't enough. I tried to re-read *South Wind* a year or two ago, but didn't get through it. I think I might still enjoy some of the travel books, especially *Old Calabria.* But he wouldn't have had his literary reputation if it hadn't been for the singular legend of his life.

He was the most absolute of hedonists. No one ever did his own thing more completely. There is no indication that he ever regretted his life. To be such a hedonist, one needs a complicated array of qualities. First, a very tough physique. Hopping it is no fun for an ageing man, nor is not having a settled home, nor having to scrounge for next month's provender. Second, one has to be utterly ruthless. *He didn't spare many thoughts for those most* men would have considered as dependents. He spared no thought at all for friends who sacrificed a good deal for him. Even more, one has to be hard-hearted about everyone, individually and collectively, art, the world, admirers, benefactors, sufferers, the lot. Douglas was inexorably hard-hearted about those who shared his sexual tastes. He expressed lofty contempt, though he didn't seem to be in a specially strong moral position.

Third, and most important, *one has to be indifferent to either* the past or the future. The past is irrelevant. The future will look after itself. All that matters is now, to-day, this moment; the immediate need. Cope with that, and there is nothing else in the world. It is a rare kind of temperament and for those of us who don't possess it, there is something enviable about it. But, speaking for myself, I don't want to spend too much time with anyone who does.

Norman Douglas: perils of pleasure

Pieces of China

BY COLINA MacDOUGALL

Wind in the Tower: Mao Tse-tung and the Chinese Revolution 1949-75, by Han Su-yin. Jonathan Cape, £6.50, 404 pages

Anyone who turns to Han Suyin's new book for enlightenment on the background to the fall of Mme Mao (Chiang Ching) and her supporters recently is in for a disappointment. Chiang Ching figures as a respectable and senior Chinese leader and the others as *orthodox, efficient* and loyal supporters of Chairman Mao. Miss Han could not have known that they would be denounced when Mao was barely cold, but her calm acceptance of their rise to power throws a little doubt on the political analysis in the book.

It might seem unfair to complain that the story had been overtaken by events since twice this year the U-turns in Peking have amazed the world. But Han Suyin *has made a point of interpreting affairs in the light of the* latest published version. Much space is given to explaining why former state Chairman Liu Shao-chi and Mao's one-time heir Lin Piao are villains, while *former Vicepremier Teng Hsiao-*ping, who at the time of writing had been reinstated after his downfall in the Cultural Revolution, figures as a reformed character.

Fortunately for the book, as *Teng might be at least partially* rehabilitated any day now, his second fall from grace last April came too late to be mentioned except in a footnote.

The stormiest episode of post-1949 history, the 1966-69 Cultural *Revolution, is put, despite some* reservations, on the credit side. Lin Piao, at that time "closest comrade in arms" later condemned as a traitor, the blame for the worst while we read that Chou tried to restrain the Red Guards from burning the British Embassy. Only the other was accused of actually inciting them to do just that. This may or may not be true but it shows how unhelpful it is to take all Chinese statements at their face value.

One surely has to read propaganda with due attention to discern the glimmers of truth. That Chairman Mao, with his undoubted virtues of ... and care for the whole people, could have been deceived four times over in the years by his closest ... is hard to swallow. ... was not a superman ... readily concedes that ... his own admissions ... Yet the alternative ... that Peking has been ... of a ruthless but carefully concealed power struggle ... how more convincing.

Hence the book reads simply as an account rather than as an assessment of the situation. Han Suyin's frequent visits to China and her vivid *style enable her* sympathetically the ... of the Chinese approach ... tical and economic ... Even under the new ... Hua Kuo-feng, something seems likely to remain.

She has also managed to produce a lively narrative of some very intractable ... Readable books on ... rare, and this one will play a useful part in spreading partial understanding of the complexities *of Peking's* ... and behaviour.

Fizzy stuff

BY EDMUND PENNING-ROWSELL

Krug House of Champagne by John Arlott. Davis-Poynter, £10.00. 294 pages

Writing the commissioned history of a firm may be a tricky assignment, for, obviously intended to show the concern in the most favourable of all possible lights, this may present problems to an author of integrity. Fortunately, however, John Arlott was invited to write about a firm of high repute, controlled since its birth in 1843 by a family of remarkable probity. Krug too have been lucky in securing an author who writes *so professionally and entertain*ingly. Nor does he refrain from acknowledging the standing of rival houses or gloss over the problems of Krug, particularly in the last few years, so difficult for a shipper 76 per cent. of whose market even outside France.

The extraordinary ... champagne in the ... may be shown by the ... Joseph Krug, starting ... capital in 1843, died ... millionaire in 1866, ... grandson Paul was ... of 2m. gold francs ... of the century. Krug has had a particular ... Britain (are we not ... sidered as Champagne's ... knowledgeable clients ... least until recently ... vintage wine came to ... try. Its success has ... to publicity as we ... it, but first of all to the skills of all the family and secondly, no doubt ... confident personalities ... Arlott's book, agree... trated, is more than ... of a firm, for it sheds ... the whole Champagne ... over a century.

Fiction

Miner in khaki

BY MARTIN SEYMOUR-SMITH

The Widower's Son by Alan Sillitoe. W. H. Allen, £3.95. 288 pages

The Ocean by James Hanley. William Kimber, £2.95. 184 pages.

Klynt's Law by Elliott Baker. Michael Joseph, £4.25. 263 pages.

Death in Beirut by Tawfiq Yusif Awwad. Translated from the Arabic by Leslie McLoughlin. Heinemann, £1.95 paper covers. 190 pages

The Fortunes of Fingel by Simon Raven. Blond and Briggs, £3.50. 143 pages

The Widower's Son is Alan Sillitoe's most satisfying novel yet. His first, *Saturday Night and Sunday Morning*, was deeply felt but marred by poor and slapdash writing. But he did not rest on his laurels, as some others who score a success with first novels tend to do. He went on trying. And if he failed to deal with the problems set by allegory *(The General)* or the neo-picaresque *(Guzman, Go Home)*, he produced fine passages and demonstrated his integrity. The failings of his other novels all stem from the same source: he intrudes into or manipulates his narrative in the interests of his passions. These are mostly admirable, but in the context of imaginative work they have seemed awkward or sometimes even childish.

In *The Widower's Son*, however, the personality of the author is absent from the narrative altogether. The result is not only technically superior to any previous novel, but also artistically more individual. The effect is the same as in his best short stories—praise enough.

This is mainly an account of the son of a Nottinghamshire miner. Charlie, on the loss of his best friend in a pit accident, joins the Army. His military life, which embraces action in India and in the First World War, is recorded with superb economy. Charlie, a man whose feelings have been hardened but faculties have not atrophied, is a memorable portrait—worthy of, but different from, Lawrence at his best. Widowed soon after his retirement, he sends his son William to the Military College of Science at the age of 14. William becomes an Artillery officer, fights in the Middle East and, during the Second World War, gains the MC and rises to the rank of Lieutenant-Colonel.

Eventually he marries the daughter of an infantry brigadier. This is for him (and *for her) another war. They are* drawn together physically, and feel love for each other. But they cannot help destroying each other. Ironically it is William's wife who behaves like a slut and William who behaves *like a gentleman — until he* makes a final, grotesque social gesture, which is beautifully handled by the author. Subsequently he begins a new and more self-satisfying life.

The Widower's Son is not faultless. Sometimes it teeters perilously near sentimentality; and the climactic love-war scene is not perhaps the tour de force it might have been. But it is a mature and moving novel, and one of true authority.

James Hanley, now 75, has a respected name: but he lacks readers, and has never had the critical attention that is his undoubted due. There is one short monograph on him—published *in Australia 12 years ago, and* hard to obtain. First introduced to the reading public by Richard Aldington, he is a novelist of great power and exemplary integrity. It has been said of him that he has more genius than *talent, no humour, and a clumsy* style. The first two judgments are perhaps true. The third needs qualifying: like Dreiser, he could not achieve such brooding power or evoke such strong compassion if he employed any other style.

The Ocean, one of his finest novels, first appeared in 1941 (not 1946, as the publisher states). There is little clumsiness in this laconically written story of torpedoed sailors—and a Roman Catholic priest—adrift in a lifeboat. It is concerned with the brutality of fate and the capacity of human beings to endure: difficult themes to which to bring artistic conviction. But James Hanley, who was himself *at sea for ten years*, has a rawness and simplicity that distinguish him from all his contemporaries. Dominating this stark narrative is the ocean of the title, both threatening and nursing the desperate survivors with its *mysterious, unending beauty.*

At one point they see a whale spouting, a whale who lives in "the great order of waters . . . surrounded by wall upon wall of silence." It is an almost hallucinatory moment, and gives the unpretentious novel a sombre allegorical weight: something elemental torn out of an author who, remarkably, has the empathy to suffer with his characters. *The Ocean* had strong *topical appeal when it appeared;* it has long outlived this. It is high time Hanley was studied in depth. I hope this welcome re-issue will gain his work many new readers.

Elliott Baker is, as a critic has put it, one of those "demented" writers who belong in the company of Heller and Donleavy. This means that he is an acquired taste, and that reaction to him vary considerably. *Klynt's Law* is based on a fascinating idea, but this is not fully realised. The true nature of what we call chance is a subject of increasing importance in an age which pronounces itself as depending on reason rather than faith. Elliott Baker's zany Professor Klynt does not believe in life after death; but as a parapsychologist he does believe that "there are definite and repetitive patterns at work in this world."

He trains four students to "beat chance" at the tables at Las Vegas (Mr. Baker is himself an accomplished gambler). The numerous semi-spoof passages from Klynt's books and articles with which the book is interspersed are much better than the narrative itself, in which the comedy is often strained to a point where it merely irritates the reader. For once, and I hope I do not seem solemn, a more serious treatment would have produced better results.

The author of *Death in Beirut* was Lebanese Ambassador in Rome until his retirement last year. He was born in 1911, and is well known as a poet and *novelist in the Arab world; the* nationalist novel *Al-Raghif* (1939) is prescribed in most Arab schools and universities. He has done his time in prison. This translation of his 1972 novel was done with his advice and given incorporates some corrections of sense to the original Arabic edition. It is the story of the experiences of a young Shia Muslim girl from South Lebanon who goes to Beirut in the period immediately following the June War of 1967. The Arabic novel has scarcely yet been born, in spite of the efforts of the cosmopolitan Tewfik Al-Hakim (best known as a playwright), so that *Death in Beirut* reads somewhat stiffly and awkwardly. But its psychology is authentic, if not deep; and it is illuminating on the subjects of the young intel*lectuals of Beirut, religious* minorities and the Palestine guerilla movement.

Simon Raven's sketches about the resourceful and cunning Colonel Fingel, for whom the army is a servant in his pursuit *of short-term good fortune*, are nicely illustrated with drawings by Michael ffolkes, and make good inconsequential reading.

James Hanley: stories of endurance

Racing legends

BY BRIAN AGER

Graham by Graham Hill with Neil Ewart. Hutchinson/Stanley Paul, £3.95. 175 pages

In First Gear: The French Automobile Industry to 1914 by James M. Laux. Liverpool University Press, £10.00. 239 pages

The World of Model Cars by Guy R. Williams. André Deutsch, £5.50. 207 pages

All over the world Graham Hill was a legend. He was much more than a successful racing driver. He was a great ambassador for motor sport and for Britain—a man noted for his bravery, humanity and sense of humour.

Millions of people were relieved when he finally gave up racing, only to be shocked by the aircraft crash a year ago which killed Graham and wiped out the talented Embassy-Hill racing team. The book is based on extensive tape interviews, the last one made just before Graham was killed. He passes lightly over the fight back from injuries he received in the American Grand Prix of 1969—injuries which would have stopped many men from driving anything again.

But Graham came back to race—to enjoy life and to pass on that enjoyment to others. All this is reflected in his book. Prince Charles, who wrote the foreword, says that the last chapter brought a lump to his throat. This is understandable for it is written by Graham's wife Bette and tells how she learnt of his *death and tried afterwards to* rebuild her life and the lives of their three children. It shows that Graham was not the only courageous member of the Hill family.

From 1902 to 1907 French manufacturers made more cars than the producers in all the rest of Europe combined. They had built up this lead in a very few years since the first automobiles had made their spluttering debut.

The lack of speed restrictions —which enabled races to be run on roads and gained much publicity for the new form of transport—helped, but there was also inventiveness, craftsmanship and aggressive entrepreneurship as the industry developed.

James Laux's well-researched and comprehensive book deals with the rise of the industry and its development until the First World War. *It contains much of* interest for the motor enthusiast and the student of industrial history. Its only fault is it looks—and at times reads—like a school text book.

Quite a collecting cult has grown up round model cars. For many years enthusiasts have paid large sums for well-engineered replicas of their favourite vehicle—with the model sometimes costing more than the original.

But interest has widened to small toy cars—so long as they are old and well preserved. One thing to watch out for, apparently, is metal fatigue.

Guy R. Williams surveys model cars from the beginnings to the present day, from one-off works of engineering to die-cast toys and plastic kits. It must be worth the purchase price for the hundreds of illustrations alone. How *was it produced at the price?* Like so many of the cheaper model kits, it was made (or at least printed) in Japan.

In short—Gallipoli, Spain, Islam, Yorkshire

This War Without An Enemy by Richard Ollard. Hodder and Stoughton, £6.85. 224 pages

The title of this book refers to the fact that many friendships were maintained across the gulf of the English civil wars. Another way of characterising them would be to say that there was only one enemy, and be his own worst enemy, King Charles I. Whatever the other rights and wrongs of the matter might be, it was the King's monstrous duplicity which ruled out the possibility of compromise and led him to the block.

The King is the centre of Mr. Ollard's story, and this is an account of the war rather as seen from the Cavaliers side, though not more sympathetic to their point of view than to that of their opponents. The book breaks no new ground, but it does emphasise the importance of personalities, in particular the fact that the Royalists with their inferior forces would never have lasted as long as the did but for the superior generalship of Prince Rupert. Cromwell did not come to the fore in the public eye until after the end of the first Civil War, as is indicated by one of the excellent illustrations with which the book is lavishly supplied.

ALLAN TODD

Goodbye to Yorkshire, by Roy Hattersley. Gollancz, £4.75, 163 pages

Our new Secretary for Prices and Consumer Protection writes nostalgically, even sentimentally, about a Yorkshire that had vanished even before he was born there. "One by one, each condition and every circumstance that made Yorkshire a moral and spiritual force in Victorian England disappeared. What once it stood for lived on as a legend between the wars. Then even the legend began to look out of date . . . Two decades later, even the formal boundaries were destroyed."

If you will accept the nostalgia and the sentiment, then these are a nicely written, contemplative set of essays recalling boyhood among the monuments of Yorkshire's Victorian greatness. But what strikes the reader is not so much the praise of Yorkshire (not, after all, so unusual coming from Yorkshiremen, and no discredit to them for that: my father was another one) as who sings it. "Yorkshire," says Mr. Hattersley,

"represented a set of particular values—the compulsive desire to compete and the obsessive need to win . . . an absolute faith in the eventual triumph of industry and the ultimate victory of thrift, the unrestrained aggression that gets men knocked down and *the determined pride* that makes them stand up again, the belief in the importance of self-improvement . . ."

Virtues indeed, but one may hear Mrs. Thatcher cheering. For they are, in this day and age, Tory values, and as I understand Mrs. Thatcher's own upbringing it was in accordance with just such virtues. Certainly, they are the ones she preaches. Yet here we have Mr. Hattersley preaching them, in effect, from the Labour front bench, though hardly from its left wing. Well, so much the better for the Labour Party.

REX WINSBURY

Men of Gallipoli by Peter Liddle. Allen Lane, £6.50. 320 pages

"Thank God I didn't go to the Dardanelles," a soldier on the Western Front wrote amid the bloodshed of 1915.

To those who saw action there —among them, French Legionnaires, Sikhs, Moroccans, Maoris, Senegalese—Gallipoli soon became a battle against plagues of flies, devastating storms, disease worse than on any Front except East Africa.

To them, Gallipoli also stood out as the only major "alternative" campaign that at that time held the possibility of quick dramatic victory. They sensed great events. Seeing the biggest battleship afloat, the overwhelming might of Britain's naval commitment as they entered Mudros Harbour, made them feel they were involved in a major enterprise—an emotion totally unlike that spawned by the stomach-dragging slowness of trench warefare in France. Discipline was better. In Gallipoli, Australia and New Zealand realised their national identities.

The fury of the handbombing at Quinn's Post, of the fighting in trenches separated from the enemy only by a sandbagged barricade, can have few parallels. Here too, to shorten their bayonet charges, troops dug tunnels up into the narrow and fearsome No Man's Land.

The Dardanelles / Gallipoli campaign is of lasting significance, an operation unmatched in World War I. But the politi*cal and military objectives were* set too high, Liddle believes. He concentrates on the men involved, tracking down those still alive around the world who served at Gallipoli, to bring alive the reality of the Eastern Mediterranean campaign.

JOHN DUNSTAN

Islamic Pottery in the Keir Collection by Ernst J. Grube. Faber and Faber, £35.00. 378 pages

The Splendour of Islamic Calligraphy by Abdelkebir Khatibi and Mohammed Sijelmassi: Thames and Hudson, £18.00. 254 pages with 174 illustrations, 54 in colour

Two new books on specific aspects of Islamic art: Dr. Grube's volume on Islamic pottery is the third of four volumes by various authors on different sections of a great private collection of Islamic art in London. Not only is it a detailed catalogue but also the most recent and complete work on this fascinating and complex subject. This is a reference book indispensable to scholars and collectors as well as to all those who enjoy ceramics.

The volume on calligraphy is a splendidly illustrated—in black and white and colour—and beautifully designed introduction to the different aspects of the art of the Arabic script. It is a volume which will delight specialists and non-specialists alike. The text—by two Moroccan authors—suffers from being translated from French but is informative and is not overweighted by scholarly classification. The authors aim to explain and present to a general public the complexities and the richness of a very subtle art which has for long fascinated the West.

DALU JONES

The Battle for Madrid by George Hills. Vantage Books, £4.95. 192 pages

Collected Plays by Federico García Lorca. Secker and Warburg, £5.90. 467 pages

Hispanophiles usually admit to some interest — often unashamedly undetached—in the ghastly Spanish Civil War as well as in the outstanding Spanish poet and dramatist Federico García Lorca, who was a shameful victim of that war.

These two books cater for both interests. Mr. Hills, with the aid of many maps and photographs, describes the military and political events before and during the Battle for Madrid, which lasted over two years. He does so, as far as one can perceive in such a death-trap of a subject, with scrupulous fairness to both Nationalist and Republican sides. A volume to take when visiting central Spain to jolt you to remember that the villages and small towns surrounding Madrid were once the setting for some bloody warfare.

Through no fault of his own, Federico García Lorca became involved in the warfare of 1936 but further south in the city of Granada where, although not a political activist, he was murdered by Nationalists. This collection of his plays in new English translations has an illuminating, perceptive Prologue by his brother Francisco. Each play has a similar short and useful introduction and in one he mentions that after his brother's murder his friends had to move the dramatist's papers from place to place to avoid seizure by the insurgents and at least once were hidden in a haystack!

KEVIN HENRIQUES

U.K. ECONOMIC INDICATORS

General	1976 Nov.	Oct.	Sept.
Currency reserves ($bn.)	5.156	4.703	5.158
Basic materials (1970=100)	331.9p	327.8p	314.4
Manfrd. prods. (1970=100)	233.8p	229.9p	226.3

	Oct.	Sept.	Aug.
Unemployment ('000s)	1,377.1	1,466.4	1,501.9
Unfilled vacancies ('000s)	139.8	141.7	129.8
Bank advances (£bn.)	15.493	15.003	15.100
Retail prices (1974=100)	163.5	160.6	158.5
Wage rates (July 1972=100)	217.4	217.4	217.3
Terms of trade (1970=100)	79.1	80.5	80.8
HP debt (£m.)¶	2,519	2,465	2,430
Retail sales val. (1971=100)	206.8	206.4	204.3

	Sept.	Aug.	July
Industrial output (1970=100)	103.3	100.8	101.8

Trade and Industry	1976 Oct.	Sept.	Jan.-Oct.
Steel, weekly average ('000 tonnes)	457.7	426.0	428.6
Imports fob (£bn.)	2.582	2.508	2.285
Exports fob (£bn.)	2.222	2.132	1.976
Visible trade balance (£bn.)	−0.360	−0.376	−0.303
Cars ('000s)*	109	100	110
Commercial vehicles ('000s)*	29.9	29.5	30.5
Houses completed ('000s)¶	25.5	29.7	25.9
Bricks (millions)*	479	494	458
Cement, weekly average ('000 tonnes)*	299	314	309.5

	Sept.	Aug.	Jan.-Sept.
TV sets ('000s)‡‡	279	169	194
Radios, radiograms ('000s)‡‡‖	343	235	298.2
Furniture (1970=100)†**	150	147	149.7
Petroleum (m. tonnes)h	6.059p	5.400	6.510
Machine tools (£m.)‡	30.6	24.5	28.7

	Aug.	July	Jan.-Aug.
Man-made fibres (m. kgs.)*	43.82	46.72	50.97
Hosiery (1970=100)**	99	95	96.25
Electric cookers ('000s) f†	65.9	63.3	75.0
Washing machines ('000s)†	51.8	48.3	71.5
Engineering orders on hand (1970=100)**	89	89	91.7
Raw cotton, weekly average ('000 tonnes)§	2.31	2.19	2.33
Raw wool (m. kilos)§	8.3	8.7	9.8

	1976 3rd qtr.	2nd qtr.	3rd qtr.
Consumer spending (£bn. 1970 values)	8.860g	8.789	8.729
Motor trade turnover (1972=100)	177	176	151

	2nd qtr.	1st qtr.	2nd qtr.
Building and civil engineering (£bn.)c	3.163g	3.014	2.912

* Production. † Deliveries. ‡ Net sales. § Consumption. ** S... adjusted. †† All manufacturing industries. ‖ Excluding c... ‡‡ Deliveries, U.K. made and imported sets. d Prices. f ... cooker-griller toasters. e Value of output. ¶ United Kin... seasonally adjusted. g First preliminary estimate. p Pr... figures. h Deliveries of petroleum products for inland cons...

PARLIAMENT

Shore refuses action on mortgage rate

BY JOHN HUNT

MR. PETER SHORE, Environment Secretary, gave a strong indication in the Commons yesterday that the Government is unlikely to intervene if the building societies make steep increases in the mortgage rate early in the New Year.

Questioned about reports that the rate could go as high as 14 per cent., he emphasised that this was a matter for the judgment of the societies themselves.

Mr. Shore also announced that he hopes to publish in the next few weeks the Government's long-awaited and wide-ranging review of housing finance to be followed by a Green Paper.

He also said that very shortly he will be bringing out a consultative document on the Rent Acts which had been much criticised on the grounds that the security of tenure given to tenants had led to a grave shortage of rented accommodation.

In addition, Mr. Shore said that he intends to make an announcement in January about arrangements under which the building societies will help to make up the shortfall in local authority lending for house purchase in 1977-78.

The Secretary of State came under fire from the Conservatives' new Environment spokesman, Mr. Michael Heseltine, who claimed that the Government's programme for public and private building was now in ruins.

There was also strong criticism by Labour Left-winger Mr. Dennis Skinner (Bolsover) who left Mr. Shore in no doubt that he thought that the blame for the poor housing performance rested squarely with the Government.

On mortgages, Mr. Stephen Ross (L., Isle of Wight) recalled that the chairman of the Building Societies Association had predicted that the rate could go up to more than 13 per cent. early next year.

MR. PETER SHORE
"Building societies must make judgment."

Mr. Ross said that this was completely unacceptable to mortgage-holders throughout the country and he demanded to know what the Secretary of State *intended to do about it.*

Mr. Shore told him that this was primarily a matter for the building societies themselves. There was competition from other forms of investment and if rates were held down in these circumstances, it could lead to a mortgage famine with serious hardship to those who wished to buy houses.

He fully understood the adverse effects that any increase in the rate would have on the cost of living and on demand for housing. "But the judgment has to be made by the building societies in the light of further circumstances," he added.

Mr. Shore told the House that the housebuilding figures for October showed 153,700 starts and 135,800 completions in the public sector for the first 10 months of this year, and 136,900 starts and 124,800 completions in private building.

Although he conceded that these figures were disappointing he stressed that they did show an increase over the levels of house building achieved in the same period of 1975.

Mr. Heseltine claimed that such historic comparisons were wholly misleading. The figures for the month of October, he said, were down 14 per cent. on a year previously in the public sector, and 6 per cent. down in the private sector.

"Your programme is now in ruins. The only prospect for restoring faith to the house-building industry is if interest rates come down so that in the private and public sectors people can afford to buy houses and build them."

Mr. Shore retorted that it was misleading to bandy monthly figures about. All his information showed that completions would be higher in 1976 than in 1975 while the Government would also maintain a strong public sector in 1977.

To hear the Tories talk one would imagine that interest rates had never gone up before. He pointed out, however, that in 1970, when the Tory Government came to power, they had been 8 per cent. but had risen to 11 per cent. by the time Labour returned to power in 1974.

Ignoring Tory jeers of "How much are they now?," Mr. Shore said that if people thought that interest rates only went up under a Labour Government they had better think again.

Mr. Skinner argued that in the last quarter completions were down by 10 per cent. right across the public and private sectors. It was no longer good enough for Mr. Shore to blame the Tory Government.

According to Mr. Skinner, the Environment Secretary and his department were responsible for throwing building workers on the dole.

"These are the consequences of cutting public expenditure in the field of housing. Your job is to see to it that no more is conceded to the IMF during the current negotiations," he declared.

Mr. Shore told him that in 17975, 50 per cent. more houses were built than in 1973, and he predicted that we should not do worse than that during this year.

"In 1976, we will have built something like 50 per cent. more tha nin 1973. I am not expecting any collapse of the public building programme in 1977, either," the Minister added.

Ships Bill survives legal challenge

BY PHILIP RAWSTORNE

[T]HE GOVERNMENT'S Bill to [na]tionalise the aircraft and ship[bu]ilding industries was sent to [th]e Lords yesterday after a [fur]ther Conservative attempt to [blo]ck it had been over-ruled by [Mr]. George Thomas, the Speaker.

Sir Michael Havers, Tory legal [sp]okesman, claimed that, because [of] four Commons amendments [ma]de to the legislation before it [fel]l last session, the Bill did not [ful]fil the terms of the Parliament [Ac]ts.

These Acts lay down the pro[ce]dure under which the Govern[me]nt *has reintroduced the legis[lat]ion* and which prevents the [Lo]rds from again amending or [re]jecting it.

Under the terms of the Acts, [th]e Bill—with certain specified [ex]ceptions—must be identical to [th]e one previously rejected. But [Mr]. Thomas, applying "common-[sen]se" to the provisions, ruled [th]at the Commons amendments [we]re acceptable alterations.

[Th]e Bill, which had been given [a] third reading in the Commons [ea]rly yesterday morning, now [go]es back to the Lords where it [fa]ces the prospect of further [de]lays.

Conservative peers are [ex]pected to challenge the [me]asure on "hybridity" grounds [in] that it treats similar com[pa]nies unequally. If upheld, this [wo]uld involve a special and [le]ngthy examination before a [Se]lect Committee at which [in]dividual companies could give [ev]idence.

The Lords would be forced to [le]t the legislation through by the [en]d of the session, however, un[le]ss—as some Tory leaders hope [—]the Government's majority in [th]e Commons is wiped out before [th]en by defeats in by-elections [ex]pected early next year.

Rates protest rejected

PROTESTS OVER likely rate increases next year were made in the Commons yesterday by Conservative MPs who spoke of bankruptcy for small firms and grievous hardship for ratepayers.

Mr. George Gardiner (C Reigate) said that likely rate increases in many areas would be well beyond the ability of many people to increase their incomes to cover them. "Further substantial increases will bankrupt many small firms," he said.

Mr. Peter Shore, Environment Secretary, denied that the rate support grant settlement would have these dire consequences.

Mr. Ian Gow (C Eastbourne) said that Mr. Shore's rate support grant cut was courageous but the average predicted rate increase of about 15 per cent. would spell bankruptcy of business and real and grievous hardship to many ratepayers.

Mr. Shore disagreed. It was a severe settlement, but very carefully calculated. The expected reduction in local authority spending was well within the national staff wastages figures experienced by local authorities.

Written Answers

INDUSTRY

Mr. Michael Grylls (Con. Surrey NW). How many shares, both preferential and ordinary, have been acquired by the Government in Sinclair Radionics and what percentage this represents of the enlarged issued ordinary capital?

Mr. Leslie Huckfield, Under-Secretary. The National Enterprise Board has acquired 75,000 ordinary shares and 200,000 cumulative redeemable preference shares in Sinclair Radionics. This gives the Board 37½ per cent. of the company's enlarged ordinary share capital.

*

Mr. Robert Woof (Lab. Blaydon). What assistance is given by the European Commission of the EEC as regards general regional aid to enable the Government to pursue effective policies adjusted to meet the needs of the U.K.'s various regions?

Mr. Alan Williams, Minister of State. The U.K. receives financial support for its regional policies from the European Regional Development Fund, with priority being given to national priority areas (Northern Ireland, the Special Development and Development Areas) as required by the terms of the Fund Regulation. Some of the money committed to the U.K. from other Community sources, such as the Social Fund, European Agricultural Guidance and Guarantee Fund, the European Investment Bank and the European Coal and Steel Community, is also allotted on a regional basis.

*

Mr. Robert Woof. Whether the Commission of the EEC has in any way discussed or questioned Great Britain's system of national aids to British industry since the signing of the Treaty of Accession?

Mr. Alan Williams. Article 93 of the Treaty of Rome requires the Commission, in co-operation with Member States, to keep under review all systems of aid. Discussions have accordingly taken place as and when necessary to enable this requirement to be observed.

*

Mr. Robert Woof. How many manufacturing industry factories have been closed in the northern region since January 1, 1975? In how many cases such factories were branches of: (a) the U.K. groups and (b) international groups? How many jobs have been lost in each case to male and female adults, respectively?

Mr. Alan Williams. Comprehensive information is not available in the form requested. Compulsory notification of redundancies under section 100 of the Employment Protection Act 1975 was not required until March 8, 1976. Between that date and November 30, 1976, 32 factories employing ten or more persons were closed in the northern region. The total number of employees concerned was 3,135 males and 1,707 females.

*

Mrs. Margaret Bain (Scot. Nat. East Dunbartonshire). How many applications for aid have been received from foundries for financial assistance under the aid to ferrous industries scheme; and how many of these requests have been met in full?

Mr. Leslie Huckfield. At December 1, 1976, 298 applications had been received. So far 119 offers have been made and 23 applications have been refused or withdrawn. Offers have always represented the appropriate percentage of the eligible qualifying costs of the project (25 per cent. for plant and machinery, 15 per cent. for buildings) and this has usually required some adjustment to the amounts initially requested.

TREASURY

Dr. Oonagh McDonald (Lab. Thurrock). What the net revenue from the National Insurance surcharge will be bearing in mind that such payments can be set against corporation tax?

Mr. Robert Sheldon, Financial Secretary. It is not possible to isolate the impact of the introduction of the surcharge on the yield from corporation tax. However the net reduction in the PSBR, taking account of the effect of the surcharge on all taxes (including corporation tax) and the associated changes in public expenditure will be £700m. in 1977-78.

*

Mr. Paul Dean (Con., North Somerset). How many applications have now been made for new construction industry subcontractors' tax certificates? How many more applications are expected? How many certificates have been granted and how many refused?

Mr. Robert Sheldon. At the most recent count, on November 12, 268,669 applications had been received, of which 185,730 had been approved and 20,960 refused. It is not possible to estimate how many more applications will be received.

*

Mr. Neville Trotter (Con., Tynemouth). Whether the costs of translating communications received by taxpayers from the Inland Revenue are an allowable expense if the taxpayer is not fluent in the language used in the communication?

Mr. Robert Sheldon. Such expenditure would not be an admissible deduction under the rules of Schedule E nor normally in computing the profit of a trade profession or vocation.

*

Mr. Tim Renton (Con., Mid-Sussex). Will the Chancellor of the Exchequer consult with the appropriate bodies and then make an estimate of the amount of invisible earnings that will be lost annually to the U.K. as a result of his discontinuing the use of the £ sterling for commercial transactions between third countries?

Mr. Robert Sheldon. Consultations are planned on this and other aspects of the recent exchange control measures.

ENERGY

Mr. John Pardoe (Lib., North Cornwall). What proportions of North Sea oil reserves lie in that area of the North Sea subject to Scots law and English law, respectively?

Dr. J. Dickson Mabon, Minister of State. The boundary drawn for the purpose of defining the Scottish and English jurisdiction areas on the Continental Shelf is not relevant to the attribution of reserves. The estimated total of reserves in the designated areas of the UKCS as a whole remains 3,000-4,500m. tonnes.

*

Mr. James Sillars (Scot. Nat., South Ayrshire). What was the number of miners employed in the Scottish coalfield in February, 1974? What is the estimate of the total that will be employed in December, 1976?

Mr. Alex Eadie, Under-Secretary. There were 24,423 miners on colliery books in the Scottish area on February 2, 1974, and 22,974 on November 13, 1976. The estimate for December, 1976, is 22,950.

*

Mr. T. H. H. Skeet (Con., Bedford). What estimate has been made of the output per man-shift for the following new mines and projects before approval for development: Royston, Betws, Selby, Belvoir, Park and Musselburgh?

Mr. Alex Eadie. Of the six schemes referred to, only Royston, Betws and Selby have so far been approved for development. For these, the planned levels of overall output per man shift in full production are: Royston 158 cwt; Betws 115 cwt; and Selby 250 cwt.

TRADE

Mr. Bryan Gould (Lab., Southampton, Test). What was the U.K.'s deficit/surplus in trade in manufactures with each EEC country in 1975? What are the comparable figures for 1976 at an annual rate? To what extent these figures reflect the undervaluation of sterling in relation to the currencies of these countries?

Mr. Michael Meacher, Under-Secretary. The following are the figures:

U.K. CRUDE TRADE BALANCE IN MANUFACTURED GOODS WITH OTHER MEMBER COUNTRIES OF THE EEC

£million overseas trade statistics basis not seasonally adjusted

	1975	January-October 1976 at annual rates
West Germany	− 745	− 989
France	− 161	− 140
Italy	− 190	− 189
Netherlands	+ 14	+ 7
Belgium/Luxembourg	+ 122	+ 244
Denmark	+ 128	+ 244
Irish Republic	+ 288	+ 388

The crude trade balance is exports fob less imports cif.

In a situation of floating rates it is not the Government's practice to comment on the current valuation of sterling.

Millan rejects judge's criticism

TWO SCOTTISH MPs, one a lawyer, yesterday called for the resignation of Lord Robertson from the Bench for his criticism of the granting of of a free pardon to Patrick Meehan.

Mrs. Winifred Ewing (SNP Moray and Nairn), who is a lawyer, said that in the long history of Scotland, a judge had rarely been removed. "But I suggest that this is a case where Lord Robertson's removal from the Bench should be seriously considered."

Her call was supported by Mr. Dennis Canavan (Lab., Stirlingshire W), who spoke of an "interfering busybody of a judge."

In a statement Mr. Bruce Millan, Scottish Secretary, said he had studied the remarks made by Lord Robertson in their context "and I reject his criticisms."

Mr. Millan added: "The existence of the Royal Prerogative of Mercy is an integral part of the constitutional system which exists to protect the citizen against a possible miscarriage of justice.

"The Secretary of State should not hesitate to recommend the exercise of that power if he has substantial grounds for believing that a miscarriage of justice may have occurred for which there is no remedy available in the courts. This was the basis on which I acted in the Meehan case."

Mr. Millan denied that he had been "paying attention to clamour" in reaching his decision. "I came to the conclusion, on the information available to me, not all of which was before the court in the Waddell trial, that it was no longer right that Patrick Meehan should be held in prison on conviction of the murder of Mrs. Ross. That remains my view."

It had been his decision to recommend the exercise of the Royal Prerogative of Mercy in Meehan's case and the decision of the Lord Advocate to prosecute Ian Waddell.

Mr. Millan said the question had been raised of what the effect in law was upon a conviction of a grant of free pardon in the evercise of the Royal Prerogative of Mercy.

"It is generally accepted . . . that it means that the conviction and all its consequences are wiped out and that persons who receive free pardons are to be regarded as being in the position of having been acquitted at trial.

"I have only this morning received a full copy of the judge's charge to the jury. I propose now to consider the issues arising from the two trials and whether, and in what form, further inquiry might go to throw new light on any of these issues."

Mr. David Steel, Liberal leader, said he rejected the underlying claims of judicial infallibility which seemed to lie behind what Lord Robertson had said. As Secretary of State, Mr. Millan should remain answerable to the Commons and not to any of the judges.

Mr. Nicholas Fairbairn (C., Kinross and W. Perthshire), who was Meehan's counsel at his trial, asked Mr. Millan to repeat that the pardon granted meant that conviction should be expunged and that he was innocent.

It was a very serious constitutional issue where a judge in a privileged position was able to defame the reputation of a man whose conviction had been expunged.

Mr. Millan said that he was taking advice from an independent assessor on the matter of damages for Mr. Meehan.

Trust aims to save theatres

PRELIMINARY details of the new Theatres Trust were given yesterday at a meeting in the Commons by Mr. David Crouch (C., Canterbury) who piloted the Theatres Trust Bill through Parliament.

The Theatres Trust Act establishes a Trust similar to the National Trust. It provides that no theatre may be demolished or undergo change of use without reference to the Trust, which can take action through Town and Country Planning General Development Orders.

The Trust will be privately financed, and it is hoped to raise funds of the order of £250,000. These would be used, for example, if the demoltion of a theatre had been prevented and the authority in whose area it stood needed help to put it into serviceable order.

Tories suspect payroll tax bid to impress IMF

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT was accused in the Commons last night of a "disgraceful rule-bending exercise" to ensure that the Bill to impose a £950m. payroll tax on employers was "steam-rollered" through Parliament without delay.

These charges, laid by the Opposition, were accompanied by the suspicion that Mr. Denis Healey, the Chancellor, wanted the Bill pushed through, even without adequate debate, in order to impress the IMF representatives in the current negotiations.

Indignant refutation of these allegations by Mr. Robert Sheldon, Financial Secretary, failed to satisfy Tory MPs. And when they were defeated by a Government majority of 16 (256-240) in their attempt to win more time for consideration of the National Insurance Surcharge Bill, they launched a last ditch attempt to cut the effects of its provisions.

Mr. Sheldon said the need for urgency was to ensure that businessmen would not be left with an administrative impossibility in the requirement to meet their new liability from April 6, 1977, onwards.

Lack of time for these purposes was accentuated by the postponed opening of the new session, the Financial Secretary pointed out.

But Opposition MPs brushed aside his contention that the Government had tried to be as accommodating as possible in the arrangement of time for debate on the Bill.

Ministers had tried to short-cut procedure by a "disgraceful piece of skulduggery," angry Tories declared. And Mr. Michael Foot, listening in silence to these accusations, was described by Mr. Nicholas Ridley as "the most incompetent Leader of the House we have ever had."

Mr. David Howell, Conservative front bench spokesman, complained that MPs had been given no chance to consult all those concerned in the new tax who were outside the House. Nor had there been time to draft detailed amendments to the Bill, which adds a 2 per cent. surcharge on employers' National Insurance contributions.

Charities and the churches would have to raise thousands of pounds of extra money, or lay off charity workers because of the tax, Mr. Howell claimed.

But the way the Bill had been drafted had severely narrowed the scope of permissible amendments including amendments to ameliorate the situation for charities and churches. In Mr. Howell's view, it was a deliberate device of the Government to hamstring criticism of this part of the proposals.

Mr. Peter Hordern (C., Horsham and Crawley), declared that the proposed new tax was intended to provide the first tranche in the cuts to be demanded from the Government by the IMF.

Mr. Patrick Mayhew (C., Tunbridge Wells), criticised Mr. James Callaghan, the Prime Minister, for his reported "graceless" refusal to accede the request of the Archbishop of Canterbury for an interview at No. 10 Downing Street on the Bill's proposals.

But on the Labour side, Mr. Jeff Rooker (Perry Barr), condemned the Tories for hypocrisy in their arguments about lack of time. "They can have all day and all night if they wish to debate this Bill," he said. It was dishonest, dishonourable and untrue for them to accuse Mr. Foot of curtailing debate.

Contributions rise opposed

BY PHILIP RAWSTORNE

CONSERVATIVES are to oppose the Government Order in Commons providing for increased National Insurance contributions next year.

Mr. Patrick Jenkin, Tory social services spokesman, said yesterday that the proposals were "just another device to avoid cutting public expenditure by putting up taxes instead."

The increases, concentrated mainly on the higher-paid and their employers as well as the self-employed, had "nothing whatever to do with increased benefits," said Mr. Jenkin.

The National Insurance Fund would have an estimated surplus of £932m. this year and nearly £900m. next year. "There is one reason and one reason only for putting up the contribution. That is that the surplus in the fund is invested in Government stocks and so helps to finance the Budget deficit."

In the Commons yesterday, Mr. John Nott, a Tory finance spokesman, complained about the Government's proposed introduction of what he described as "a pure tax increase."

Though the effect of the Government Order would be to increase the income of the NI Fund by some £150m., rising earnings are expected to swell the total additional yield next year to around £700m.

Employers, already facing a £950m. surcharge on their NI contributions, are expected to have to pay an additional £380m. in contributions compared with the current year.

Labour Left-winger, Mr. Dennis Skinner said that the £1,350m. surplus in the NI fund by the end of 1978 should enable the Government to tell the IMF that "they need not get on our backs so much."

U.K. exports position stronger—Sheldon

FINANCIAL TIMES REPORTER

BRITAIN'S competitive position in regard to export prices of manufactures in recent weeks has probably been some 3 to 4 per cent. stronger than on the average in 1975, though the improvement compared with 1973 and 1974 has probably been less, Mr. Robert Sheldon, Financial Secretary to the Treasury, stated in the Commons yesterday.

The relative profitability of exports had probably increased substantially during this period *and our competitive position* vis-à-vis manufactured imports might have strengthened by about 10 per cent. compared with 1974 and 1975, he said.

The Minister was replying to Mr. Bryan Gould (Lab., Southampton East) who also asked to what cause the Treasury attributed the fact that Britain's export prices for manufactured goods had fallen no faster than those of her main competitors, apart from the Americans, in the 12 months ended June 1976.

Mr. Sheldon pointed out that Britain's rate of inflation had continued to exceed that of her main competitors and that British exporters had chosen to take a considerable part of the benefits of recent depreciations in the form of higher profit margins on export sales rather than adjust their foreign currency prices for exports.

As to whether this accounted for what Mr. Gould described as the relatively poor export figures for manufacturers, he stated: "There are believed to be long lags between changes in relative export prices and the full effects on trade volumes, and recent movements in exports can at best be only partially explained in terms of changes in our competitive position over the period mentioned."

Customs fees increase next month

CHARGES MADE for out of hours attendance by Customs officials are to be increased to cover the full cost of the service from January 1, Mr. Robert Sheldon, Financial Secretary to the Treasury, announced in the Commons yesterday.

From that date, charges will be banded in two rates instead of a series of different rates according to the grade of official required to attend, the upper band being £4.70 and the lower £3 per hour.

Mr. Sheldon stated that after a review of Customs charges for official attendance, it had been concluded that it would not be justifiable at the present time to incur the additional public expenditure which would be involved in any extension of the hours during which attendance was given free.

The charges would, therefore, be increased to a full cost level on January 1. To limit the size of subsequent increases, it would be re-assessed at six-monthly intervals.

Caribbean tensions warning

SOCIAL TENSIONS in the Caribbean islands would worsen if countries like Britain, which have traditionally accepted immigrants, closed their doors, the Commons Select Committee on Overseas Development warned yesterday.

The committee also pressed for faster industrial development.

It was undesirable that Caribbean cane sugar producers should be tied so rigidly to Common Market regulations and arrangements for marketing bananas seemed to represent an unhappy compromise between the free market and the managed market, the report added.

The committee received complaints from Government officials and hoteliers on the islands that British Airways' fares structure ensured that the islands remained a playground for the rich. They wanted the islands to become competitive with European resorts.

The committee found that some British companies in the Caribbean operated good employment practices but that others were "somewhat indifferent."

Second Report from the Select Committee on Overseas Development, HMSO, £4 60.

New quarters

NEW SLEEPING quarters at the Maze Prison, Northern Ireland, will cost an estimated £4,400 per prisoner, Mr. Don Concannon, Ulster Minister of State, said in a Commons written reply yesterday.

New Peer

LORD BRIGGS, formerly Professor Asa Briggs, who is Vice-Chancellor of Sussex University, took his seat in the Lords yesterday.

THE JOBS COLUMN

How universities fared in the market

BY MICHAEL DIXON

MANY university dons dislike my publishing the table which appears in the Jobs Column this week. It ranks the 46 United Kingdom university institutions according to the apparent performance of their new bachelor-level graduates in the U.K. jobs market in 1975.

One reason for the dislike is that the figures—calculated from information released by the University Grants Committee two days ago—are less than precise. For example, as the last columns in the table show, there are wide variances in the proportions of the new graduates whose subsequent movements their Alma Mater was either unable or disinclined to trace. Some of these "unknowns" must have found careers in this country, but we have no idea how many. So the ranking can be based only on the percentage *known* to have taken more than a temporary job in the U.K., even though it seems sure that the actual job-getting performance of unknown-prone places such as Leeds and Bristol was better than the one recorded.

Another reason for the dons' dislike is that many of them apparently believe that job-getting performance is too *sordid a measure to apply to* the universary world. But I disagree.

Whatever the attitudes of those who teach in universities, job-getting is a very important matter to the youngsters who go to study in them. Even though the current academic year has only just started, for instance, there are general reports *of remarkable keenness,* if not anxiety, among undergraduates about their employment prospects.

Moreover, the relative contribution each institution makes to the workforces of public and *private* sector organisations in this country is surely a matter of rightful concern to the taxpayers who finance the universitiea. And since the figures in the table are the only available means by which this contribu*tion* can be estimated. I feel that their publication is amply justified.

In 1975, the year covered by the first, third and fifth columns *of the table, new graduates* seem generally to have fared better for employment than school-leavers did. But demand on the campuses from em*ployers was distinctly down from* the boom levels of 1974, for which the comparable percentages are given in columns two, four and six.

The total of people graduating at bachelor-degree level in all 46 institutions in 1975 was 57,032. Of these, 21,135 continued their education or training or went *overseas for* one reason or another, and the table takes no account of them. It deals solely with the other 63 per cent. of the total output who were ostens'bly candidates on the home jobs market.

The total known to have gone into more than temporary jobs in the U.K., and so covered by the first column, was made up *of 976 people who were already* employed during the time they were studying, and 22,386 who went into such jobs after graduating.

Together these constituted 41 per cent. of the 1975 total bachelor-level output—a decline of about 3 per cent. from the 1974 figure.

Of the total output in 1975, the public services newly recruited 16.4 per cent., compared with 16.1 the year before. *Industry* and *commerce* newly recruited only 19.1 per cent., compared with 21.8 in 1974.

Public services

Five years previously, in 1970, industry and commerce newly recruited nearly 24 per cent. of the bachelor-level total, and the public services only 10.1 per cent.

The increase over the five-year period in the recruitment *into taxpayer-funded* employment, is largely balanced by a decrease in the proportion of new graduates going on to study for higher degrees. In the rela*tively opulent university days of* 1970 more than one in every six of the bachelor-degree total went on to further academic study. In 1975 the proportion was evidently down to fewer than one in eight.

The third column in my table is made up of three types of people. There were 896 designated as not available for employ*ment who represented about the* same proportion of the total output—1.5 per cent.—as in 1974. There were 2,486 who took temporary jobs in the U.K.—about 4.4 per cent. as against 3.6 in 1974. The rest were the 3,055 who were believed to be still unemployed at the end of the calendar year, some six months after graduating. The "believed unemployed" category shows a sharp increase to 5.4 per cent., compared with 2.9.

While the "destination unknown" column—as I have said earlier — must include some people who obtained longer-term U.K. jobs, it must also include some who fall into the "without long-term job" category.

So although each institution's *place in the league table* is arranged entirely according to the percentage of its new graduates known to have taken more than temporary work in country, it seems only *fair* to take the results in the other two 1975 columns into account in singling out universities for either commendation or con*demnation.*

The institutions which combined a higher-than-average score in the first column with low figures in the other two were *Aston, Bradford, Heriot-*Watt, Strathclyde, *Liverpool,* Glasgow, Stirling, Birmingham, and Queen's Belfast. All but the last three would have won commendation by similar criteria in 1974.

The institutions which combined a lower-than-average percentage of known long-term job-takers with relatively high figures in both the other columns were East Anglia, Sussex and Warwick. Sad to say, all three of them would have been handed wooden spoons by the same criteria not only in 1974, but also in 1973.

To my mind, however, the institutions which seem most worrying to a poorly off nation whose Prime Minister is urging greater concentration by its State-paid educators on preparing people to work in the economy, are Warwick and especially East Anglia. At each of them, more than one in every five of the people who graduated with bachelor-degrees in 1975 managed to obtain at best only temporary employment in the U.K. The University Grants Committee surely needs to take the pair of them to task.

The UGC might also do well to question the heavily unknown prone results of Leeds, Bristol, Lancaster and Sussex. When an institut'on like Manchester University can keep track of all but 1.7 per cent. of its new graduates, it seems most inefficient of others to lose *trace of a quarter or more of* theirs.

Ranking	Name of university and (1975 bachelor-level output)	% known to have long-term U.K. job	(% known in 1974)	% without long-term job at Dec. 31, 1975	(% without at Dec. 31, 1974)	% destination unknown at Dec. 31, 1975
1	City University (450)	67	(69)	7.6	(2.3)	13.6
2	Loughborough (488)	67	(73)	10.0	(6.5)	4.9
3	Aston in Birmingham (834)	66	(64)	5.3	(4.1)	7.3
4	Brunel (353)	63	(67)	11.3	(6.1)	5.4
5	Bath (640)	59	(65)	5.3	(2.3)	10.0
6	Univ. of Wales Inst. of Science and Technology (489)	59	(45)	10.8	(7.9)	6.1
7	Bradford (740)	59	(66)	7.8	(4.3)	4.6
8	Univ. of Manchester Inst. of Science and Technology (674)	56	(66)	11.1	(7.0)	2.2
9=	Heriot-Watt (502)	55	(64)	6.6	(3.6)	1.8
9=	Salford (762)	55	(63)	7.6	(3.1)	11.2
11	Surrey (502)	54	(63)	10.0	(5.0)	10.0
12	Strathclyde (1,243)	52	(56)	3.8	(2.0)	5.7
13	Dundee (557)	50	(50)	9.4	(5.4)	11.1
14	Manchester (2,188)	49	(51)	12.0	(10.4)	1.7
15	Liverpool (1,639)	47	(50)	4.4	(5.3)	9.8
16	Newcastle (1,400)	47	(46)	10.9	(7.7)	7.4
17	Glasgow (1,756)	47	(45)	4.0	(3.2)	2.1
18	Southampton (1,017)	46	(44)	13.0	(8.5)	7.2
19	Stirling (473)	46	(43)	9.3	(8.2)	4.0
20=	Birmingham (1,490)	43	(45)	9.1	(4.7)	8.7
20=	Sheffield (1,502)	43	(44)	8.1	(5.6)	11.7
22	Queen's Belfast (1,189)	43	(44)	7.2	(5.4)	7.7
23	Edinburgh (1,852)	40	(45)	9.1	(11.5)	12.0
24	London (9,083)	40	(42)	16.8	(8.8)	7.8
25	Nottingham (1,372)	39	(36)	11.6	(10.1)	19.6
26	Reading (1,065)	39	(43)	17.2	(11.9)	11.8
27	Oxford (2,551)	39	(39)	7.0	(5.7)	11.7
28	York (618)	37	(42)	13.6	(12.6)	6.6
29	Cambridge (2,673)	36	(43)	9.1	(5.5)	15.6
30	Durham (1,019)	36	(37)	10.3	(9.7)	7.9
31	Bristol (1,320)	35	(35)	8.5	(5.9)	28.9
32	Hull (971)	35	(39)	13.5	(11.6)	7.6
33	Aberdeen (985)	35	(40)	7.5	(9.3)	12.3
34	Warwick (800)	35	(30)	22.4	(18.2)	13.1
35	Essex (420)	34	(39)	9.3	(16.4)	16.0
36	Kent (662)	33	(41)	13.1	(9.9)	19.8
37	Univ. of Wales (3,074)	32	(35)	14.2	(11.1)	5.6
38	Keele (355)	32	(45)	12.7	(13.4)	14.9
39	Exeter (924)	32	(32)	12.7	(9.3)	11.0
40	Ulster at Coleraine (368)	29	(39)	19.3	(7.9)	10.9
41	Leeds (2,046)	29	(33)	7.1	(5.8)	29.7
42	Lancaster (732)	28	(34)	11.3	(13.4)	27.0
43	Leicester (910)	26	(33)	19.0	(13.0)	7.5
44	St. Andrews (557)	25	(33)	10.6	(8.6)	12.2
45	Sussex (781)	23	(26)	15.5	(11.4)	24.7
46	East Anglia (785)	22	(32)	24.7	(14.5)	17.1
	TOTAL (57,032) (1974=56,991)	41	(44)	11.3	(8.0)	10.7
	First-class hons. (6.5% of total)	34	(36)	4.3	(2.8)	5.1
	Second-class hons. (63.6%)	38	(40)	11.8	(8.3)	10.4
	Other degrees (29.9%)	50	(53)	11.9	(8.5)	12.6

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GENERAL APPOINTMENTS ARE CONTINUED TO-DAY ON THE FOLLOWING PAGE

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LECTURER.—Applicants with special interests in Information Systems and/or Finance will be given some preference. The Department is currently expanding these areas at both the undergraduate and graduate levels. Appointment will be made to the permanent staff but the University reserves the right to make the appointment probationary where it considers this appropriate.

Applications close 3 January 1977.

Conditions include assistance with travel and removal expenses. In addition, superannuation is available and assistance in buying or building a home. Study Leave grants are available and credit may be granted for existing study leave entitlement.

Applications should include full details of qualifications, experience, research interests and publications together with the names and addresses of three referees.

Applicants in the United Kingdom, Europe and America should forward their applications and ask their referees to forward their reports without delay to the Association of Commonwealth Universities (Appts.), 36 Gordon Square, London WC1H 0PF, and send a copy of the application only to the Staff Officer.

Other applicants should forward their applications to, and ask their referees to forward their reports to The Staff Officer, University of New England, Armidale, N.S.W. 2351, Australia, without delay.

RETIRED BUSINESS PERSON FOR OXFAM

Oxfam needs the help of a retired business or professional person (man or woman), who has experience of working in the City. It involves just one or two days a week discussing Oxfam's overseas work with individuals and organisations (particularly trusts) located within the City of London.

This is an interesting and stimulating task for someone looking for a worthwhile use of their experience and time. There is no salary, but all necessary expenses are paid. Ease of access to the City would be an advantage.

If you would like further information please write to:
Guy Stringer
Deputy Director
Oxfam
Oxford OX2 7DZ

GROUP CHIEF EXECUTIVE

MIDLANDS

£16,000 plus equity stake and car

A Chief Executive is sought to lead a private group of companies engaged in engineering, manufacturing and building contracting. The group turnover is about £16 million.

Difficult trading conditions have recently been experienced, and the first priority of the Chief Executive will be to reshape and revitalise the group in order to restore profitability and financial health. Applicants should have had wide industrial experience in general and financial management. Success at master-minding a recovery operation and experience of effecting tight financial control over diverse activities would be added advantages.

Please write in confidence, with comprehensive details of your qualifications, career and salary progression, to the group's professional advisers, quoting ref. 846/FT:

R. Scott Williams,
Touche Ross & Co.,
Management Consultants,
4 London Wall Buildings,
London EC2M 5UJ.
Tel: 01-588 6644.

CHARLES FULTON & COMPANY LIMITED

FOREIGN EXCHANGE BROKER

Due to continuing growth of our Continental Exchange business, we are looking for an experienced Foreign Exchange Broker. The applicant should be under 30 years of age with at least two years' experience of broking. A vacancy also exists for a Trainee.

Applications for either position should be addressed in confidence to:

Chris Hartley
CHARLES FULTON & CO. LTD.
34/40 Ludgate Hill
London EC4M 7JT

Charterhouse Japhet Credit Manager

c. £10,000

Charterhouse Japhet, merchant banking subsidiary of the Charterhouse Group, is seeking an additional credit manager for its expanding domestic and international loans business.

The successful applicant, who will be aged around 35 and an AIB, must have had extensive experience of credit analysis, loan administration and client relationships in a leading bank.

Total remuneration of salary and appropriate benefits is expected to be around £10,000.

Please write, with brief details, to David Greenacre, Charterhouse Japhet Limited, 1 Paternoster Row, St. Pauls, London EC4.

CHARTERHOUSE

APPOINTMENTS WANTED

QUALIFIED CHINESE MALE

ACCA, MBA, AGED 31,

7 years experience in accounting, finance and banking with international firms, seeks suitable post in London: circa £4,500.

Full resume and reference available.

Assist in work permit application required.

Reply to:
GPO BOX 7222,
HONG KONG

INSTITUTIONAL SALESMAN

American Portfolio Management Group in Commodities seeks Marketing Manager

to contact Banks and wealthy Investors in Europe. High base salary plus profit sharing. Candidates should be aged 25 to 40, University Degree, with previous financial experience, perfect German and English, good French, willing to travel. Based in Brussels.

Send confidential complete educational, personal and career resumé, with salary history to:

DUNN & HARGITT COMMODITIES S.A.,
c/o Box F.483, Financial Times, 10 Cannon Street, EC4P 4BY.

LEGAL NOTICES

No. 003977 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of EL MEXICANO LIMITED and in the Matter of The Companies Act, 1948.

No. 004042 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of WEST COUNTRY WAREHOUSES LIMITED and in the Matter of The Companies Act, 1948.

COMPANY NOTICES

WEST COAST ASSOCIATED TANNERIES LIMITED

NOTICE IS HEREBY GIVEN that the Register of the 5½% Cumulative Redeemable Preference Shares of the Company will be closed for one day on the 13th December, 1976, for the preparation of Dividend Warrants payable on December 31st, 1976.

By Order of the Board. J. A. MATTOCKS. Acting Secretary.

The Tannery, Millom, CUMBRIA. LA18 4LT.

COMPANY NOTICES

BRADLOW'S STORES LIMITED

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PROCESSES

Lines a few atoms wide

METHODS OF making lines, or connectors, in metal only a few tens of atomic diameters in width have been fabricated in a process which could have a number of significant implications in electronic engineering, but also in microscopy and research work.

Developed at the Yorktown Heights centre of IBM, the fabrication technique represents a five-fold advance on any previous method and so far, lines 80 angstroms wide and 100 thick have been formed repeatedly. It is believed that 25 angstrom lines with 25 angstrom spacings should be attainable. Typical atomic spacings in metals are 2 to 4 angstroms.

In the process, a thin layer of metal—about 100 angstroms in depth—is deposited on a graphite carrier. Then, an electron beam 5 angstroms in diameter is used to build up a layer of "contamination" on the surface of the metal. This contamination comes from exposure of the sample to air and to the oil and other vapours present in the vacuum apparatus. The activity of the electron beam polymerises the layer to form a thin, impervious coating.

If the specimen is then placed in an etching unit, the metal film can be removed from the areas not protected by the contamination lines.

These lines, when being deposited, can be monitored on a display screen with appropriate magnification of separation so that an extremely well-defined pattern can be laid down.

An immediate potential application is the formation of a pattern of conductors which would make focusing lenses for X-ray microscopes, with useful magnifications 25 times higher than is now possible with present models used in the study of living tissue.

IBM, Research Division, P.O. Box 218, Yorktown Heights, New York 10598, U.S.

● COMMUNICATIONS

No-travel conference equipment

SIMULATING a round-table conference, though participants can be hundreds of miles apart, is Plessey's "Remoteconference" equipment which relies on a standard four-wire Post Office circuit and relatively simple terminals.

This could enable enormous savings to be made in travel and accommodation costs, as well as wear and tear on executives and lead to important decisions with the minimum of delay.

Remoteconference sites would be equipped with a specially designed table which can seat up to eight people. Participants at the distant site each have a notional place at the table to which they are linked, this being a loudspeaker on which the individual's name lights up when he is speaking.

This should overcome the problem of identification, a drawback on less sophisticated systems.

During the meeting, participants communicate by means of individual microphones, all of which are "live." This means that the circuit is captured by the participant with the loudest voice, and this voice also emerges from its notional position at the distant table. The advantage of this method is that the problem of "voice clipping" usually associated with such equipment is avoided, and the system is designed to prevent acoustic feedback or "howling."

Plessey Telecommunications, Beeston, Notts. 0602 866522.

Tigers go into many companies

MINSTER AUTOMATION has announced installations and orders for 35 Tiger telephone watchdog accounting systems worth over £¼m. in the last six months.

The largest order has been placed by BSC for six installations worth more than £100,000 which will be used for controlling the cost of telecommunications, deriving the maximum benefit from the Corporation's new network.

ITT has bought one to control telephone costs in its manufacturing division and Rank Xerox has installed a system at London headquarters in Euston. Further installations are now being considered by this company.

The total number of Tigers—PDP-based vetting systems — installed and on order since the system was launched about a year ago is now 55. Experience shows that they enable users to reduce their telephone costs by typically 20-30 per cent. while improving line availability in departments where telephones are vital.

Minster is on 01-680 1977.

● INSTRUMENTS

Computer in nuclear counter

LIQUID SCINTILLATION counters, said to be the first instruments of their kind to incorporate micro-processor control, have been launched in the U.K. by Beckman-RIIC, Eastfield Industrial Estate, Glenrothes, Fife KY7 4NG (0592 771234).

The basic instrument provides a library of ten standard computer programs that answer common liquid scintillation problems. Command towers (sets of adjustable holes, read by a photoelectric matrix) inserted in the conveyor chain preceding a batch of samples trigger any one of the programs.

When a user edits a program for a specific counting application, his coded tower repeatedly calls up that version of the standard program. Inserting a second tower permits changing parameters such as preset error and preset time.

Program editing is simplified by a slide display in the control panel. Slides project simple, step-by-step instructions in the use of the keyboard to change counting parameters. With the command tower and program facility, a number of users can have their samples checked on the machine without having to go through a complete re-setting sequence for each isotope count.

Maximum count rate is 5.6 x 10.6 and efficiency is better than 60 per cent. for H3 and better than 95 per cent. for C14. Up to 300 samples can be automatically counted.

High speed thermal recorder

EIGHT channels of analogue information can be recorded on fan-fold chart paper at sampling rates of up to 16 points per second using the model 816 thermal-writing equipment announced by Gould Advance.

The pen, driven by a high performance motor will operate in any position and requires very little maintenance. The fineness of the line of the hot tip can be controlled electrically and there are no difficulties with clogging, smudging, pen-tip dry-out or priming.

There are three operating modes. Set for "multipoint" the sampling rate is divided equally among all active channels (selected by push button). The "intensified" mode allows concentrated sampling of channels one and/or two, with sampling of all other channels at less frequent intervals. Operating on "continuous" the recorder becomes a wide-chart single channel device with a continuous trace.

Maximum channel span of 114 mm. (4.5 in.) provides high resolution while the multiplexed, overlapping traces with channel identification are suitable for data comparison, rapid read-out and data reduction.

Tests for optical forms

QUALITY of machine readable forms can be assessed on a quality control basis from bulk supplies using the PCM 2 print contrast meter available from Data Recognition. Printers, suppliers and users should find the machine useful.

Character contrast or reflectance can be measured rapidly using the measuring aperture of 0.008 in. (0.2mm) and the physical dimensions of characters can be checked against a scale of 0 to 0.1 in to a tolerance of ±0.0005 in. A viewing screen with magnification of five to 20 times allows precise and rapid positioning of samples for investigation.

Filters can be selected to simulate various optical systems. The instrument meaures 203 x 368 x 259 mm and weighs 9 kg. More from Loverock Road, Reading, Berks RG3 1DX (0734 598511).

● POWER

Parallels generators cheaply

ACCURATE matching of voltage, phase and frequency—essential when paralleling generators in the field—can be carried out completely automatically, but the cost of the necessary equipment can be quite high.

Now, Petbow has introduced the "Check Synchroniser" which allows an operator to do the job semi-automatically with less expenditure on equipment. Voltages are matched by a simple manual operation after which the system automatically compares phase and frequency differences. At a pre-determined synchronous condition a pulse is initiated which activates a motorised circuit breaker at the precise moment of synchronism.

Plant will not be paralleled if these conditions are not met, nor if the operator has not accurately matched the voltage (up to 5 per cent. tolerance is permitted).

Adjustable operating limits make the unit adaptable in the field, and it is particularly suitable for construction sites. Petbow is at Sandwich, Kent CT13 9NE (Sandwich 3311).

● MATERIALS

Simplifies in-house labelling

WHEN AN office file, or a piece of equipment in course of manufacture, has to pass through several work stations, it is often accompanied by identifying documentation and instructions.

To speed preparation of the documents, sets containing various sheets (for example, invoice, stock control, machinist's instructions) are made up, using "no-carbon" paper. While the other sheets have a variety of destinations, the bottom sheet often has to be attached to the file cover, or to the component.

This has now been made easy by laminating a permanent or removable pressure-sensitive adhesive (protected by a release paper) to the bottom sheet of a multi-part set.

Called Copylabel, the self-adhesive sheet is of white paper the front of which reacts with the underside of the next sheet. The maker, Fasson U.K., 18, Frogmore Road, Hemel Hempstead, Herts. (0442 63031), says the sheets can be used with most makes of conventional carbonless copy papers, and will produce a sharp image even when the adhesive section is the tenth copy in a set.

● COMPUTING

Produces charts and diagrams

LATEST flat-bed plotter to be introduced by UCC Computer Instrumentation (CIL) makes use of a microprocessor to improve performance in a number of ways.

Called the CIL Envoy, it is able to produce accurately drawn charts and diagrams in up to four colours on pre-cut paper or polyester film draughting sheets in any ISO standard size from A0 down to A3. Writing speed is at least 300 mm/sec in any direction while the plotting resolution is claimed to be better than 0.1 mm.

One of the functions of the micro is to sense continuously the pen position by counting stepping motor increments and control the drive power: the more normal successive step/command technique has been abandoned.

In addition, the 16-bit processor also allows compressed input instruction to be accepted to plot complete functions, relieving load on the mainframe driver. Functions include full-line, chained or dashed lines, circles, arcs, character annotation and reference positioning, all produced anywhere on the plotting area by a single function call. More from School Lane, Chandler's Ford, Hants S05 3YY (04215 4671).

Low cost business system

CHEAPEST business computer with multi-terminal ability so far from Digital Equipment is the DEC Datasystem 320 announced last week.

A maximum of four terminals can be supported and typical users are seen as small businesses requiring an independent computer system and larger companies needing local data processing.

There are two versions, the smaller of which (the 322) is priced at £15,600 with full software support. It is housed in a desk and is supplied with 32 kilobytes of internal memory expandable to 56k bytes, 512k bytes of floppy-disc storage, video terminal and 180 characters/sec dot matrix printer.

Larger model 324 is housed in a low-profile cabinet and has over seven megabytes of disc.

Both will operate in a transaction mode and run the company's business oriented language Dibol-11 under the CTS-300 operating system. More from King's Road, Reading, Berks (0734 585555).

Tailored to the jobs

INSTALLATION of a twin DEC-based accounting and management information array is in progress at Smith St. Aubyn, City discount house by Gamma Associates which, in the current year, expects to reach a total of 25 "bespoke" installations.

One of the machines will be used to handle on-line enquiries for dealers through displays and terminals. The other machine, also with its displays and a printer will provide back-up and will be capable of handling the other machine's terminals in a stand-by role.

Gamma has long experience of DEC and is running a bureau service based on DEC PDP 11/45 equipment, supporting a time-shared operation.

It can use the bureau as a development and support centre for the systems it is developing for clients, which means that installation of equipment and the software to handle users' problems is rapid and uneventful.

Largely because of this technical back-up and the fact that many more City houses are thinking of using dedicated minicomputers to run selected parts of their business, Gamma expects to double the number of new systems it will set up next year to as many as 50. When it is remembered that the figure does not represent just equipment, but a fully engineered solution to a user problem with the required software to run the various routines successfully, the figure acquires more significance.

Further from Gamma Associates at 74, St. James's Street, Nottingham, NG1 6FJ. 0602 49555.

● SERVICES

Helps find the right company

THE 90th edition of Kelly's Manufacturers and Merchants Directory has just been published. This is the last time it will be published in two volumes. Future editions will include an abridged version of the International Volume (Volume 2) and this will be included at the end of United Kingdom, Volume 1.

The publisher says that the present Volume 1—United Kingdom—lists alphabetically over 100,000 manufacturers, merchants, wholesalers and other categories of commercial activity. There are also some 9,000 trade headings under which these organisations are listed according to type of activity.

This is a most useful source of reference and invaluable to anyone involved in buying and selling.

Kelly's Directories, Neville House, Eden Street, Kingston-upon-Thames, Surrey, KT1 1BY, England. 01-546 7722. (Price £12 in U.K. and £15 overseas inclusive.)

● By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

● COMPONENTS

Bellows to simplify pipework

STANDARD BRAIDED bellows expansion joints for central heating and other systems permit movement comparable to conventional angular and hinged joints, but in much shorter overall lengths.

Developed by Powerflex, a TI company, the joints can move in any angular direction and require less space, as tie-bars or hinges are no longer necessary. Traditionally, tie-bars or hinges restricted angular or hinged joint movement.

In addition to providing lateral compensation, braided bellows can absorb vibration at lower pressures. Units can also be used as flexible connectors. The braid protects the bellows from external damage.

Four versions are available (ferrous and non-ferrous, flanged and BSP threaded), in three lengths and in bore sizes from 15 to 200 mm. The joints are set at installed length, requiring no draw. The maker is at Derby Works, Vale Road, London N4 1PW (01-800 6696).

Resistor networks

PRECISION film resistor networks with a performance equal to that of matched precision thin-film discrete resistors, but at much lower prices, are offered by Beckman Instruments, Queensway, Glenrothes, Fife KY7 5PU (0592 753811).

The package offers 5 ppm tracking over the temperature range −65 to +125 degrees C, and 30 per cent. savings in on-the-board costs compared with discretes, in addition to significant board space savings. Resistance tolerance is 1 per cent., resistor ratio tolerance 0.5 per cent., and temperature coefficient 50 ppm/degrees C.

Designers and manufacturers are provided with the flexibility of connecting resistors within the network in series or parallel to vary resistance values for gain setting, summing or feedback circuit applications.

Because they are compatible with automatic insertion equipment, the resistor networks reduce manufacturing/assembly time by a factor of 8 : 1 or 15 : 1. The package is available in resistance values ranging from 100 ohms to 100 kohms.

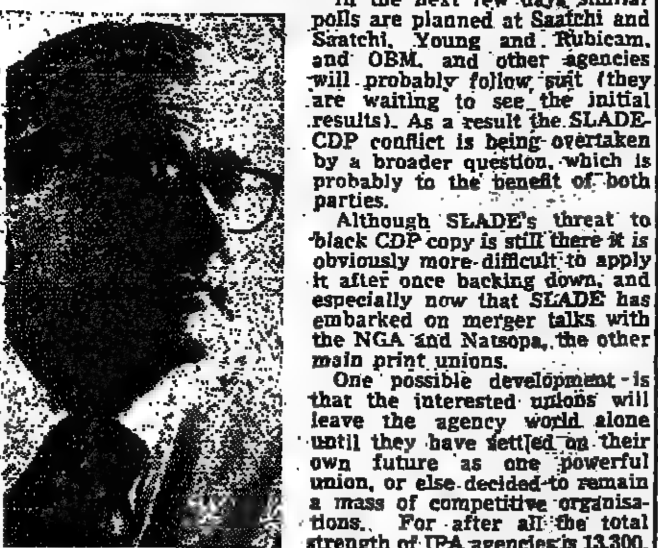
The Marketing Scene

Agency-union row goes to the polls

ANTONY THORNCROFT

advertising agencies and unions cautiously edge rds each other for the first , it looks now that the nego- ons will take place in more ed circumstances than could been envisaged a fortnight

ADE has withdrawn its it to "black" the Press rtisements of agency Collett enson Pearce if the staff did join it, and there are signs the agencies will talk as a



y Bullmore of J. Walter pson, the chairman of the ies' co-ordinating committee on union affairs.

to the unions who might be able to offer a united

e fact that the employees of voted 171 to one against ng, SLADE, and the way its rtisers rallied round the cy, were probably factors in uading SLADE to withdraw mmediate threat. Pressure the other print unions may have helped.

e next steps are for a team the CDP creative depart- to meet officials from DE next week for more and then there will be er poll of the staff, nised by the Industrial ty on December 21.

the meantime other large- cies will be voting on the union issue in polls run by the Industrial Society. Yesterday the 800 odd employees of the largest agency, J. Walter Thompson and its associate companies, had their chance to decide whether, in the formal language decided on by the Industrial Society, they wanted "conditions of employment negotiated on their behalf." If they did they were invited to suggest which unions they reckoned to be most appropriate.

In the next few days similar polls are planned at Saatchi and Saatchi, Young and Rubicam, and OBM, and other agencies will probably follow suit (they are waiting to see the initial results). As a result the SLADE-CDP conflict is being overtaken by a broader question, which is probably to the benefit of both parties.

Although SLADE's threat to black CDP copy is still there it is obviously more difficult to apply it after once backing down, and especially now that SLADE has embarked on merger talks with the NGA and Natsopa, the other main print unions.

One possible development is that the interested unions will leave the agency world alone until they have settled on their own future as one powerful union, or else decided to remain a mass of competitive organisations. For after all the total strength of IPA agencies is 13,300, and of these only about 10,000 are possible union members.

At least half a dozen unions would have a claim to their loyalty so it could well be a self-defeating exercise competing for a handful of members, especially if the polls confirm that very few agency employees want to be unionised (at the moment probably 500 agency staff throughout the U.K. belong to a union).

The most likely result is that the polls will show the ignorance of agency staff about unions, and a succession of meetings could follow with successive unions making out a case to particular agency sections of what is a very fragmented industry. The managements of the agencies have been at pains to stand apart from the discussions, and their policy of disinterested cooperation seems to be paying off in converting a crisis into a process of consultation.

Why the Co-op cares

BY ANTONY THORNCROFT

IN 1975 nine of the top ten advertised brands in the U.K. were retailers—only the Government's energy saving campaign topped them. There is every likelihood that this year the retailers will make a clean sweep, although already some of them are wondering whether their multi-million pound budgets might be proving counter-productive—all those identical price-off promotions must confuse the housewife.

There are signs that the major retailers are looking more closely at image campaigns as an alternative and at localised price promotions, where it is easier to judge the effectiveness. But while they can get the manufacturers to pay half the advertising costs pushing special offers will look attractive to retailers.

The biggest retailer of them all, the Co-op, is definitely taking a new course next year—or rather from Christmas Day. Immediately after the Queen's Speech, in the spot invariably taken by the Society to show off its band in a decorous soft sell commercial, the new slogan, "Your Caring, Sharing, Co-op," will flash on the screen. From December 27 a positive flood of advertising will appear, signifying the Co-op's first advertising switch since 1968.

The basic aim is to return to the first principles and stress the Co-op's ideological origins. The Co-op's success in pushing up its share of retail trade after a long decline—it is now 7.2 per cent. of the total—has been achieved at the cost of losing its old identity. In effect in emulating the competitiveness of Tesco and Fine Fare it has come to be identical. Research suggests that the public is conscious of the distinctive sharing elements of the Co-op policy—the fact that £35m. was distributed in dividend last year—but not of the caring. In the past the Co-op was often the local philanthropist. Hence the new slogan: the closest thing to being a "consumerist" retailer.

But this is just the philosophical justification for a new marketing strategy. The Co-op has become like its competitors not only in appearance but also in its concentration on fast moving packaged goods, with minimal profit margins and little likelihood of being free from Government interference. Like Tesco and Fine Fare it is now concentrating more on non-foods on sale in super stores and other large retail outlets. The new slogan will often be wrapped around quite a different range of advertised goods, acting as a corporate cloak for traditional price cut advertising.

The overall advertising budget will rise by almost 20 per cent. to over £6m., and a bigger percentage, over half, will be put behind national advertising rather than the localised efforts of the autonomous societies (of which there are still around 230). Television is to take a larger slice of the spend, and for the first time non-food lines will be promoted on TV, to the tune of £800,000. Of course, just as in grocery marketing, the manufacturers will contribute to the advertising of the cut price offers.

The basic problem remains for the Co-op—a centre run by experienced professional marketing men attempting to persuade jealous individual societies to sacrifice some of their independence for national marketing objectives. The central managers will agree, that when the symbol and the slogan "It's all at the Co-op now" were promoted in 1968 the claim was not yet true. The aim was to prod the Societies into reacting to the advertising. It is the same story now.

The television commercials, which seem to owe at least something to the successful Woolworths advertising, portray the 250 large department and super stores which may account for 75 per cent. of the CWS turnover but are not the typical small Co-op supermarket or small shop. The advertising is forcing the pace and aims to persuade the bigger local Societies to co-ordinate with the national campaign both in cash, and in satisfying the needs of more demanding consumers.

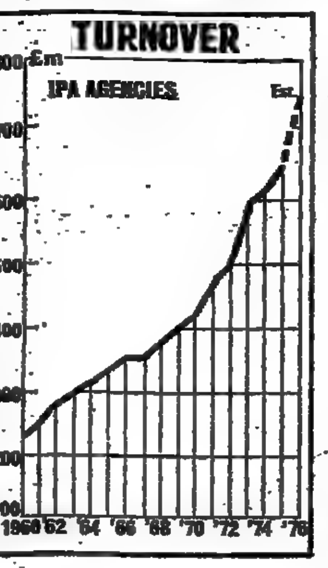
Better year for agencies

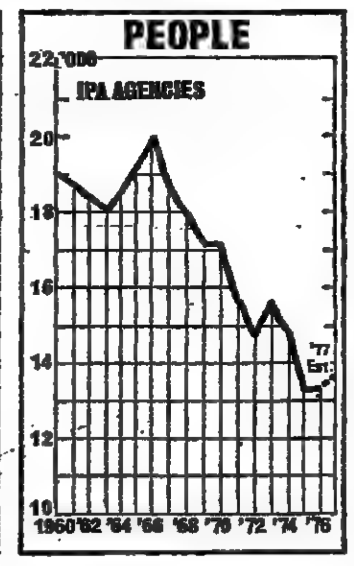
BY JAMES O'CONNOR, DIRECTOR, IPA.

James O'Connor

THIS time last year I was writing on this page that after 1975's year of survival for the advertising agencies, 1976 looked like continuing the challenge. It did — but the agencies were better prepared. The gloomy forecasts certainly were not borne out by the results, where there are recoveries in both turnover and profit levels.

Billings in IPA agencies, as can be seen in the chart, are estimated to be £750m., £100m. up on 1975. Even that may be a conservative estimate, and it is much better than one dared to hope at the beginning of the year. Gross incomes, too, are therefore up, with the likelihood of a 3 per cent. differential between increases in incomes and increases in expenses.





IPA AGENCIES—NET PROFIT (Before Tax)

	% of Turnover	% of Income
1960	2.9	19.2
1963	2.1	13.9
1964	2.5	16.6
1965	2.2	14.3
1966	1.8	11.6
1967	1.7	11.0
1968	1.9	12.0
1969	1.8	11.2
1970	1.5	9.3
1971	1.8	10.8
1972	2.6	15.8
1973	2.4	15.1
1974	1.8	11.2
1975	1.5	9.5
1976	1.8 Est.	11.4 Est.

This brings us to the all-important matter of profitability. In 1974 this was 1.8 per cent. of billings of IPA agencies (11.2 per cent. of income) before tax. A year later came the drop to 1.5 per cent. (9.5 per cent. of income); and now the estimate for 1976 shows the upturn which I forecast at the beginning of the year: the expected figure should be back to 1.8 per cent. (11.4 per cent. of income)—a very welcome return to the normal 2 per cent. figure.

There are numerous forces affecting the recovery in agency fortunes. Inflation drives up expenses; increased appropriations from manufacturers gives added billing and income to set against those expenses. New product launches provide extra impetus to an agency; a major rent review sets the agency back. A drop in the numbers employed in the agency may save money and increase productivity, but standards of service have to be carefully measured against both. The optimism generated by new business needs to be balanced against the problems presented by trade union influences on the one hand and the general economic state of the nation on the other.

The numbers employed in the agencies were stabilised in 1976, after some years in which there was a steady erosion in the total work force. At September 1 1976 numbers stood exactly where they were a year earlier — at 13,300. Although the continuing process of agency mergers and admissions to IPA membership has tended to give more support to 1976 figures than in previous years (about 400 people came into IPA through new agencies joining in 1976), it is evident that the fall-off we have seen over 10 years has stopped. Indeed, figures provided monthly this autumn by the top 25 agencies indicate a personnel gain for the first time since we started collecting them nearly three years ago. Numbers employed as a proportion between London and outside remain almost exactly as they were: 9,900 in London and 3,400 outside.

If we take a closer look at the statistics for 1975 and 1976 we find:

1—More people are now being employed in agency specialisation, such as media, marketing, creative and account representation. This reflects the "fighting mood" of the agencies where some encroachment has been made by independent media buyers and creative consultancies, and where the agencies know their best answer is their quality of service. Indeed, in the U.S., where there was such encroachment for a period of years, it has now tailed off because of improved service by the agencies.

Even in the U.K., we have reached the stage where some advertisers which have experimented with independent companies have discovered that the more complete and overall service which the agencies can provide is the one they need after all.

2—Productivity per head of agency staff has again risen from the 1975 high of £49,000 to £56,000. Some agencies, of course, are well beyond the average, producing figures nearly half as good again.

3—The total gross income of all the IPA agencies exceeded £100m. for the first time in 1975—it was running at £105½m.—which is £9m. better than the previous year. It should be £122m. in 1976.

4—Grossing on billings in 1975 is up 2-10ths of 1 per cent. overall at 16.2 per cent. Those agencies outside London improved dramatically from 18.5 per cent. to 19.6 per cent., while industrial agencies everywhere marginally increased from 18.9 per cent. to 19.1 per cent.

5—Profitability outside London was up in 1975 from 1.7 per cent. to 1.9 per cent. Industrial agencies went up from 1.6 per cent. to 1.9 per cent.—a very creditable performance for both sets of companies.

6—Bad debts in 1975 were only marginally up on the very large increase in 1974, that is, by only £40,000 on £1m. But every £ lost in this way comes from agency profits, which in total for all IPA agencies amounted to only £10m. before tax; and the biggest sufferers were the smaller agencies.

Summing up, the agencies have demonstrated that they can fight back against unfriendly circumstances and give as good as they get.

There are certainly hopeful portents in the air for 1977, but while it is easy to have 20-20 vision in hindsight, it is more difficult to predict what our fortunes will be one year from now. The imponderables seem to increase, the economy has as many trends one way and the other way as there are economists, and Chancellors have a way of upsetting us without so much as a by-your-leave. Despite this uncertainty there are some good signs—signs of improved profitability and some buoyancy in advertisers' intentions.

The IPA agencies are certainly in a better starting position to go optimistically into 1977 than they were in 1976. Their survival for a whole year without a single liquidation is evidence of that.

PR EXECUTIVES

Frustrated—but rich

THE disgruntlement of in-house public relations executives with their companies is fully revealed in a survey to be released later to-day by Burson-Marsteller. This consultancy quizzed the PR men in the top 500 companies, and got usable replies from over a third, a pretty good return.

Of these 67 per cent. reckoned that they had minimal impact on corporate policy and only 45 per cent. believed that their management had any idea what PR could achieve.

But the in-house personnel were very highly paid compared with their colleagues in consultancies. Nearly a half earn over £7,500 a year, and 23 per cent. were paid more than £10,000.

One of the other surprises from the survey was the fact that 48 per cent. of the respondents reported directly to their chairman or managing director. The majority of PR departments had one to three employees, although nearly a quarter numbered from four to seven. Over 94 per cent. reckoned that their main activity is relations with the media, followed by the 90 per cent. who placed employees as a chief responsibility.

Over a fifth of the PR executives considered that they had no promotion prospects, and only 12.7 per cent. expected promotion outside the PR area. Less than a half would recommend a career in public relations to their children.

Year end merger

● AT the end of a year when there have been relatively few agency mergers there is news of a fairly significant one—Warwick Parsons is getting together with Graham and Gillies. The new agency will be known as Graham and Gillies and Warwick, and has joint billings of over £6m.

The main clients are British Rail, Caterpillar Tractor, ICI, Courtaulds, UTA Airlines, and Uniroyal. Bob Carpenter of Graham and Gillies will be chairman and another G and G man, Paul Foulkes vice-chairman. The managing director will be Derek Parsons. For Graham and Gillies the merger gives it access to the Warwick International agencies in Paris, Frankfurt, and New York.

● THE commercial television companies clawed back a little of their traditional audience in November, according to JICTAR. The audience split 51 per cent. to ITV as against 41 per cent. BBC-1 and 8 per cent. BBC-2. In October ITV had managed a bare 50 per cent. of the viewing. ITV also managed the most popular programme of the month, Goldfinger, watched in 9.8m. homes as against the 9.55m. tuned in to BBC's Miss World.

● MASIUS Wynne Williams has gained the Lowenbrau lager account, which spends around £100,000 a year on advertising.

● A new, very up-market publication which is accepting advertisements is the London Business School Journal, which appears three times a year and goes to 2,000 alumni of the School and other interested parties. A page costs £150. Details from Helman Associates, 01-580 5816.

● AUTOMOTIVE Products is moving its £300,000 advertising budget for its International Auto Safety Centres, of which there over fifty, to the local agency of Stewart and Granger of Birmingham, a member of the Rex Stewart Group.

● TBWA is to handle the advertising for Wolverhampton and Dudley Breweries. The account is spending over £100,000 in 1977.

● ANOTHER advertiser is following the independent consultancy road. Wings, the tour operator, has appointed the Creative Business to look after its creative work and Chris Ingram Associates to handle media planning and buying.

● PERSTORP Ware Rite, the Swedish company which is number two to Formica, has appointed Beverley Fowler Maslin Oxlade and Starkey to handle a £100,000 corporate campaign starting in the New Year.

● LAST Thursday LBC, London's commercial news station, sold all 171 minutes of advertising for the first time.

U.K. is number nine

THE U.K. ranked ninth among the advertising nations of the world in 1974, the last year for which figures are available. The International Advertising Association has, at last, with the help of Starch, Inra, Hooper of New York, produced the "World Advertising Expenditures."

The table is calculated on a per capita basis and the U.S. is quite rightly top with an advertising expenditure per head of 82.6 U.S. dollars. Then comes Bermuda with 71.7 U.S. dollars; Australia 65; Switzerland 58.9; Canada 55.6; Denmark 43.4, Netherlands 40.9, New Zealand 39.4, U.K. 37.7; and Norway 36.8.

The leaders are followed by Finland, West Germany, Sweden, Japan, Austria, Aruba, Belgium and France (both 20.7), Singapore and Israel. Bottom of the list is Ethiopia with an expenditure per head on advertising of three cents.

There have been no great changes in recent years. Advertising expenditure has grown in Asia, Africa, Middle East and Latin America, but it has grown even faster in the developed world. Only ten countries spend more than 1 per cent. of their GNP on advertising, while a further 32 manage between 0.5 per cent. and 0.99. The remaining 25 surveyed spent less than 0.5 per cent.

The choice of media is basically determined by what is available. Europe is short of commercial airtime in TV and radio so the Press grabs 72 per cent. of the cash. In North America the Press receives 60 per cent. and TV 27 per cent.; Latin America is 38 per cent. television, and only 37 per cent. Press. A.T.

● JOHN HUGHES, once of Bates and more recently managing director of Browne's, has joined Gordon Procter and Partners as a director. The agency has plenty of work for him: it has just been appointed by Canon Business Machines to prepare a £250,000 campaign for its copiers, calculators and microfilm systems, by Air Time Productions, the leading video company. It is also just starting its first campaign for Beefeater Gin in the U.K. and overseas, worth £500,000.

THE FINANCIAL TIMES

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THURSDAY, DECEMBER 9, 1976

An economic committee

YESTERDAY'S report by the Select Committee on Nationalised Industries on the work of the Bank of England is the second of its kind and is less critical than the first. The Bank has carried out the main recommendations of the first report, except in a few cases where it considered that the results would be undesirable for one reason or another, and these exceptions have been accepted by the Committee. The few criticisms that it has to make—about staff benefits, about the use of a separate economic model from that of the Treasury (neither of them embracing the monetary sector), about capital expenditure on buildings and so on—are themselves tentative in the extreme. As the Committee itself remarks on a specific point, "the previous criticisms appear over-weighted and we feel we should redress the balance."

Yet this report has come out at a time when criticism of the policies pursued by the Bank of England and the Treasury in a number of fields has been more widespread and pointed than for many years past. It seems a little absurd to go over so much ground of purely historical interest and to discuss such specialised matters as the design of banknotes which can be distinguished by the blind, to incur such expense and to take up the time not only of Bank and Treasury officials but of representatives of various City institutions, and to ignore almost completely the issues with which the public is most concerned.

Policy matters

But the reason for this odd reticence is spelt out clearly in the Committee's general conclusions. "Within the restricted area of our terms of reference," it says "we have few, if any, faults to find with the way in which the Bank discharges its responsibilities and manages its own affairs." It goes on to point out that the Bank can no longer be regarded as secretive "except in the matter of policy direction by the Government," into which this particular Committee is forbidden by its terms of reference to inquire. "Nevertheless," it gones on, "we have to accept that the word 'policy' can cover a very wide area in financial and banking terms, and it severely restricts the nature of our enquiries and our report."

The earlier report included among its conclusions that it was a matter for consideration whether, in those areas in which the Bank operates as an arm of Government, its activities, along with those of the Treasury, should be subject to consideration by a Select Committee on Economic Affairs. The authors of the present report put the point to the Minister of State, who replied that the Bank operated as an arm of Government, that responsibility lay in the end with the Treasury, the Chancellor and the Government, and that members had ample opportunity to question Treasury ministers about matters of economic and financial policy.

Educative

This is no longer good enough. There is no doubt that the Chancellor is ultimately responsible for decisions on such matters. There is no doubt either that there is a strong and entirely legitimate public interest in the means by which economic and financial policy decisions are reached. That this interest cannot be satisfied under the present machinery of Parliament is clear enough, and Sir Harold Wilson's Committee of Enquiry will, whatever else it turns out to be, certainly be no substitute for regular examination by a Committee of the House. Here is a clear case where the Government can dmonstrate its professed willingness to meet the growing demand for more open government. A Select Committee on Economic Affairs might well be able to exercise a very useful educative function, for everyone concerned.

West wins a little extra time

THE MAJOR industrialised countries appear to have succeeded in postponing the day of reckoning in their Paris "dialogue" with the Third World on a new international economic order. Although there has been no formal announcement, the 19 developing countries represented in the North-South talks now seem to have reluctantly accepted that the closing Ministerial session planned for next week should be put off until the spring. As a result, the meeting of Opec oil Ministers will go ahead as originally scheduled on December 15. There is now no point in postponing the meeting until later in the month to allow Ministers to assess the conclusions of the "dialogue" before deciding on a new oil price increase.

Debt relief

The West thus appears to have escaped, at least temporarily, from the trap that was closing in on it. The fear among the industrialised countries had been that an acrimonious breakdown of the "dialogue" next week would have provided a ready-made political excuse for a heavy increase in oil prices and undermined the position of the "moderates" in OPEC. In order to have averted a failure in Paris they would have had to make concessions on other issues, such as debt relief and raw material prices, that they are not yet ready to offer. At it is the "dialogue" has been extended without the public recriminations that the West has tried so hard to avoid, and there are clear signs that Saudi Arabia at least is prepared to suspend final judgment on the Paris talks.

It has, in fact, become increasingly clear over the past two weeks that the December meeting would have to be put off. The outgoing U.S. Administration does not want to take responsibility for the success or failure of the "dialogue," and many non-oil developing countries would in any case prefer to wait for President Carter, in the belief that he will prove mre receptive to their demands than his predecessor. Japan is in no position to consider major new foreign policy initiatives. But perhaps most significantly, Herr Helmut Schmidt, the West German Chancellor, in an attempt to turn the tables on the Opec countries, made it clear at last week's Hague summit that he will not allow the Community to make new concessions until he has seen the extent of the oil price increase.

Not all his partners agree with Herr Schmidt's tactics. His approach leaves the Opec countries free to raise the oil price in Qatar, pursue their demands in the "dialogue" in the New Year, and then raise prices again in the summer if they do not get satisfaction. If, as the industrialised countries are suggesting, the final session of the "dialogue" is now held in May or June, it could well fall just before the next Opec oil price meeting, putting the West back in the uncomfortable position from which it has just escaped this month. The developing countries want the final session to be held in March or April, but the new U.S. Administration will almost certainly need more time than that to finalise its attitude.

Common fund

A March meeting could also cause complications for the industrialised countries, as it would almost certainly coincide with the UNCTAD conference called to negotiate the new Common Commodities Fund that the developing countries have made a key political symbol of the West's willingness to co-operate with the Third World. Lack of progress in either set of negotiations would undoubtedly embitter the atmosphere in the other.

By prolonging the "dialogue" the industrialised countries have done no more than win themselves a little extra time. Few developing countries want to return to confrontation with the West, but they will not go on talking indefinitely without results. The industrialised countries will soon have to determine what price they are prepared to pay if they want to maintain the present climate of consensus in world politics.

The problems of how and where to cut public spending, analysed by Colin Jones.

The political and practical ins and outs of the cuts

THE CABINET this week turned from discussing whether, and by how much, public spending next year and subsequently should be reduced to the more detailed issue of where cuts could be made. The second stage is likely to have been no less painful — albeit somewhat less protracted — than the first.

The £1bn. reduction which Ministers have decided to look for may not seem very large in relation to the total amount which they had previously programmed. On the new definition of public expenditure (which counts interest payments and nationalised industry investment only to the extent that these items are not covered by the public sector's own earnings from prices, rents, charges, and interest receipts), £1bn. is equivalent to just under 2 per cent. of total spending. But 2 per cent. is probably close to the margin of expenditure which could be changed in the limited time now remaining before next year if due weight is given not only to what is administratively feasible but also — and possibly even more important—to the Government's own ideas about what is politically acceptable.

Let us, first of all, consider the question of acceptability. Clearly, the package must satisfy the IMF, its principal member Governments, and — crucially—the foreign exchange market. Indeed, there is a powerful case for going for the largest reduction possible on the grounds that correcting action later on would be easier than after a package which failed to muster confidence in sterling. But acceptability also means a package which would be tolerably well received by the country at large, which gives the Government a reasonable chance of sustaining the "social contract" with the trade unions, and one which—above all — could be carried through the House of Commons.

For political as well as administrative reasons, therefore, Ministers may prefer to look for spending cuts which could be achieved largely by executive action and which would not expose the Government's narrow overall lead in the Commons to repeated challenges whether in the context of new legislative proposals or as a result of affirmative resolutions on Ministerial orders.

But practical consideration involves much more than the question of whether legislation would be needed. The cuts have to be quick to show through, or at least large enough to bring about the desired £1bn. of savings in the coming financial year. For this reason, Ministers often prefer to put off new capital projects rather than try to bite into current spending or, alternatively, to consider what new policies might be deferred—such as has recently happened to parts of the Health and Safety Act. At the same time, in the horse-trading that takes place on these occasions as spending Ministers fight hard for their respective corners, they must also keep a firm eye on the limits of their own executive powers.

About a third of total public spending, even on the new definition, is undertaken by local authorities and the nationalised industries. The nationalised industries' investment programmes for 1977-78 were set at the time of the Chancellor's July measures. Market prospects may have altered some of the figures since then, but further changes could be made at this stage only if Mr. Healey were to break his undertaking not to change these programmes as an instrument of short-term demand management. In the case of the local authorities, the Government has given no such promise. Next year's spending targets and grant levels were fixed last month. In the past it has not been unknown for grant negotiations to be re-opened, but there is already enough doubt about the chances of the existing spending targets—let alone new, lower ones—being observed.

Transfer payments

Political and practical considerations will of course rarely coincide. Consider, for example, the possible scope for reductions of expenditure on transfer payments — that is, on grants, subsidies, loans, and interest payments. Savings here would not have so direct and immediate an impact upon employment as reductions of the public sector demand on resources — that is, on pay, goods, and services (including investment). Moreover, as the table shows, transfer payments are currently absorbing about two-fifths of total public expenditure (on both the old and new definitions).

But expenditure on social security benefits, the biggest single category of transfer payment, is largely determined by demographic factors and the level of unemployment. Moreover, the Government is now legally committed to reviewing benefit levels once a year and to raise pensions and other long-term benefits in line with changes in earnings (or prices if they rise faster) and to adjust the main short-term benefits in line with prices. Short of new legislation, Ministers can decide only whether upratings should be based upon the latest trends or (as happened earlier this year) upon their forecasts of changes in prices and earnings.

The same is true of housing, where more than £4bn. in all is now being spent with results that are commonly accepted as being disappointing (to put it no stronger). Since July the Government has been using its general loan sanction powers over local authority borrowing to make sure that local housebuilding programmes remain within ministerial targets. The process could be taken a stage further by cutting programmes to below planned levels; existing controls on local authority housing improvement and mortgage lending programmes could be tightened a further notch or two. But a re-casting of housing subsidies (for which the housing finance review is supposed to be preparing) would require major legislation. Even to change the present rate of central Government subsidies on newly-built houses would require an affirmative resolution in the Commons and would, in any case, not save very much very quickly.

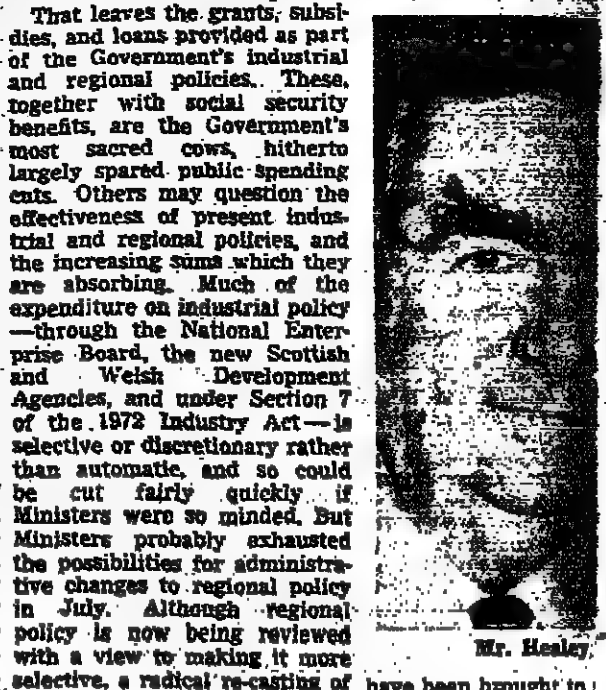
Food subsidies were cut in July and are due to be largely phased out by 1978-79. The Government has pegged British Rail's passenger subsidy and has been struggling hard to reduce the subsidies for rail freight, the National Freight Corporation, and local authority bus and tube fares. The fees for university courses and non-vocational studies have just been raised, and the school meal subsidy is being cut by 10p a child next autumn, as a first step towards halving the present level of subsidy by 1980.

That leaves the grants, subsidies, and loans provided as part of the Government's industrial and regional policies. These, together with social security benefits, are the Government's most sacred cows, hitherto largely spared public spending cuts. Others may question the effectiveness of present industrial and regional policies, and the increasing sums which they are absorbing. Much of the expenditure on industrial policy —through the National Enterprise Board, the new Scottish and Welsh Development Agencies, and under Section 7 of the 1972 Industry Act — is selective or discretionary rather than automatic, and so could be cut fairly quickly if Ministers were so minded. But Ministers probably exhausted the possibilities for administrative changes to regional policy in July. Although regional policy is now being reviewed with a view to making it more selective, a radical re-casting of present subsidy arrangements would call for major legislation.

Choices are no easier when one turns from transfer payments to expenditure on resources. Some new policies have already been postponed, such as the wealth tax and parts of the Health and Safety Act (both of which would make a heavy demand in public service manpower), but the Community Land Act, the BNOC's participation in the cost of developing the North Sea, and the nationalisation of the aircraft and shipbuilding industries are, so far, still going ahead.

Cutting back capital expenditure programmes of both central Government and (subject to the imprecision of loan sanction controls) of local authorities, is relatively straightforward in administrative terms. Basically, all that needs to be done is to defer the placing of new contracts for a period. But these programmes have already been cut repeatedly and sharply. Further reductions would add to the level of unemployment in the building and construction industries, while in the specific case of the roads programme (the largest capital spending programme under the control of central gov itself) more reduction well lead to some co going out of business.

We thus come, finall scope for savings in cu penditure on pay, go services — which, in means reducing the authorities' use of m Here, experience sugg however desirable it secure significant there is little th achieved in the sh is possible that, years of continuous ing pressure from the growth of loca spending in real



Mr. Healey.

have been brought to resembling a halt. I possible that, if the p sustained for anothe two, total local authc power may drop bac or two. But only two the reductions of civ manpower which th ment called for earlie have yet been iden

Substantial reduc public service manp be achieved only as of changed polic example, the greater growth of the size o service in the last has taken place in Whitehall departmen two which operate system (Inland Reve Customs and Excise) two which are prin volved in administ social security syste and Social Security, ployment). If tax were raised, and the social security syste simplified (or eventu bined), the manpowe could be appreciable. is not the sort of adm reform which can be by a Cabinet urgentl for public spending c coming financial year.

PUBLIC EXPENDITURE PROGRAMME

1974-77 : £m. at 1975 Survey Prices

	Total Expend're	Transfer Payments*	Expe. on Resources†	Current Expenditure: Central Govt.	Current Expenditure: Local Authors.	Capital Expenditure: Central Govt.	Capital Expenditure: Local Authors.	Public Corps.
Defence	4,586	15	4,571	4,484	—	102	—	—
Overseas aid and services	882	662	220	708	—	156	—	[illegible]
Agriculture, fisheries, etc.	987	842	145	876	2	108	—	[illegible]
Industry, trade, employment	2,272	1,754	518	1,077	27	949	13	[illegible]
Nationalised industries	3,050	−104	3,154	−92	—	—	40	[illegible]
Roads and transport	2,193	620	1,573	537	677	392	553	34
Housing	4,097	2,097	2,000	1,088	471	345	1,904	[illegible]
Other environmental services	2,045	34	2,011	89	993	10	351	602
Law and order services	1,470	20	1,450	311	1,011	85	73	—
Education, science, arts	6,234	1,165	5,069	824	4,775	176	459	—
Health and personal social services	5,317	25	5,292	4,171	742	341	63	—
Social security	10,002	9,578	424	10,002	—	—	—	—
Other public services	686	25	661	556	74	8	—	48
Common services	678	—	678	564	—	114	—	—
Northern Ireland	1,336	613	723	853	118	184	36	145
	45,835	17,346	28,489	26,048	8,880	2,970	3,412	4,525
Debt interest	6,200	(6,200)						
Contingency reserve	700							
Assumed shortfall	−250							
Total expenditure	52,485							

* Grants, subsidies, loans & interest.
† Pay, goods and services (incl. investment).

MEN AND MATTERS

Celebrating at the Citadel

There is due to be a centenary celebration this evening in one of the City of London's less attractive but more intriguing buildings. Intriguing not so much for what is above ground (a triangular chunk of grime-ingrained Victorian severity opposite the Mansion House) but for what is out of sight below street level.

Celebrations at the surface are being held by the Bank of New Zealand, which in December 1876 moved into a small part of the building in Queen Victoria Street and over the years has gradually taken over the whole block which, St. Paul's-like, survived the Blitz more or less unscathed.

The owner of the building is the National Safe Deposit Company, whose name was originally emblazoned across the outside of the premises. These days, a smaller sign is perched above one door at the front of the premises. The deposit company now occupies only four subterranean floors of boxes (the smallest costing £9 plus VAT a year to rent), safes, strong rooms, huge heavy doors and burglar alarm systems visible and concealed. The vaults form an underground chamber 80 feet long, 46 feet wide and 45 feet deep. And to prevent intrepid intruders tunnelling in, the whole edifice stands on pillars over murky waters fed by the long-covered Walbrook.

Nation Safe Deposit has been in the building a little longer than the New Zealand Bank. Equipment like the many five-ton doors down below are powered by the original hydraulic machinery: nice to think the bank's computer records are winched to and from its own rented vaults by venerable hydraulic power.

National was the first safety deposit in Britain, and Steven Hale, manager of the place

"This week's good cause appeal is on behalf of ourselves . . ."

where he has worked for 31 years, naturally claims it as the most impregnable. The telegraphic address is The Citadel, and it certainly feels like it below the first level. But the company is run and guarded by a staff of just 11, and there is little outward show of intimidating security.

Hale is emphatic though that the procedures are as foolproof as it is possible to be. Each customer has one key, and only he or she can open their own box, safe or strongroom. Lose the key and Hale and his staff have to do a cutting-open job which can be costly for the customer.

It is hard to imagine anyone justifying such a massive structure to-day. The original backers of National Safe Deposit were bankers, and they were unpleasantly surprised to find the idea was not a paying one. There were two write-downs of capital before ownership ended up with the General Accident insurance group. About four years ago, the company was sold to a concern with the charmingly obscure name of Poultry (No. 17 to 21) Ltd. That is in fact part of the property empire run by Rudolf Palumbo and his son Peter Palumbo, a publicity-shy pair who have had grand designs for the wholesale redevelopment of that part of Queen Victoria Street.

Such a prospect seems unlikely at present. As it is, Hale is worrying about the arrangements for providing round-the-clock security over Christmas, a time when box-owners tend to ring the place up just to check someone is around and alert. "Interesting work," Hale says.

IoD's off

After months of indecision the Institute of Directors finally decided yesterday to pull up its roots from London's Belgrave Square, where it has been in elegant residence for most of the century, and transfer to Pall Mall. The move marks yet another major upheaval in the previously tranquil life of the IoD since the arrival last year of its present director-general, Jan Hildreth.

He now has the IoD operating in the black again after it incurred losses of £129,000 and £250,000 in 1974 and 1975, and he reckons the move will save about £50,000 a year.

Membership of the institute is still falling (now down to about 35,000) and Hildreth expects it to decline even further after the doubling of annual subscriptions to £30 last year. The new home is the former premises of the United Services Club, and the IoD is facing an investment of about £500,000 to put the building in order.

According to Hildreth one of the earliest occupants of the IoD's new premises was the Duke of Wellington, who had the stairs designed to be wide enough for him to ride up from the lobby on his horse. As part of its break with the past the IoD is installing lifts, and Hildreth, who has been developing a far more aggressive, brash image for the Institute, seems to have little in common with that illustrious former resident, famous for observing that the only thing more melancholy than losing battles was winning them.

Radio worry

Rumbles of discontent were evident yesterday over BBC Radio's plans to cut back one of its few financial report programmes as part of the shake-up of Radio 4. The idea is to reduce Financial World Tonight from 15 to ten minutes, make it more of a "hard news" operation, and put it on at 11.30 p.m.; half-an-hour later than now.

Those in the City and the BBC who campaigned to get away from the old pre-Financial World format, distinguished for the robot-like tones with which news agency reports of share price changes were read out, are worried that listeners will no longer have a chance to hear from the bankers, brokers and suchlike interviewed on the programme.

Brian Sharp, a former BBC man instrumental in setting up the present programme who is now executive director of the new City Communications Centre, also pointed out last night that "most City people tend to get up early" and so will hardly be encouraged by the even later broadcast time proposed.

Hopeless

Nevada Desert joke. "Drive carefully, the nearest hospital is a mirage."

Observer

هكذا من الاصل

ECONOMIC VIEWPOINT

BY ANTHONY HARRIS

How Mr. Healey could redeem himself

HARD to realise now t is less than three years Mr. Denis Healey arrived : Treasury, full of what uld regard as good inten- A Socialist monetarist, ; going to check inflation, ibute income and trans- rdens from the productive non-productive members e economy, and work s other wonders for us rom that day he has been ered by fate, bad policies, recasts, and bad advice nly one of his stated ives has been achieved, hat partly by accident— ps have indeed squeaked. only just to remember, er, that the Chancellor's expressions of concern the tax burden are g new.

t hope is there, though, being any truer to his ons now than he has been last three years? The o meet sensible IMF con- , to reduce strain in the al markets, and at the ime the great difficulty of ; even a relatively modest public spending accepted Cabinet colleagues even of a full-blown economic inspire scepticism and r. Tax cuts, like expendi- its, always turn out to be agenda for the year after. The likelihood is that we gain be fobbed off with a deception—an adjustment thresholds which amounts, l terms, to yet another se in taxation, although be presented as a cut.

is is all that actually hap- even as an offer for the I for one will be ready urther than my colleague l Brittan and call for the llor's resignation. Mr. will at length have failed more comprehensively than any previous holder of his office, a man who will have achieved simultaneously the highest taxes, the highest deficit, the highest unemployment, the highest inflation, the lowest growth and the lowest reputation in memory. He has little time left to redeem himself.

His one hope now lies in a combination of financial reform and tax reform that some advisers will no doubt tell him is impossible. Although some of my friends in the official world have tried to persuade me that to criticise the advice offered to Ministers is ignorant, unfair and destructive—and I do not pretend to know in any detail the advice which is actually offered—it is unfortunately difficult to propose radical reform without attacking what appears to be the official view. The fact is that the official machine has a built-in bias against radical change, based on the most human of all arguments—things are difficult enough to run as they are.

Mr. John Pardoe and Mr. Len Murray: pressing for a tax on wealth.

Unofficial

The Chancellor therefore has an especially difficult task: for even while he is battling to impose the official view of short-term necessities on his colleagues, he must try to listen to unofficial voices—to foreign opinion and example, to Parliamentary committees, to the TUC, to that well-known maverick Mr. Harold Lever, to the Liberals, to academics and even perhaps to journalists when it comes to framing future strategy.

It is from such sources at the moment that sensible ideas are to be heard. They are "irresponsible" in the sense that they take no account of administrative problems, of the continuity of statistical series, or of precedent. It is for this reason that some outsiders can see well past the ends of their noses—and that the financial authorities in other countries actually pay for a steady flow of independent or semi-independent advice from such bodies as the Council of Economic Advisers in the U.S., the German research institutes, and the like, and also conduct their own policy debates far more openly than we have yet learned to do—the Federal Reserve Board, for example, publishes its internal minutes only a few weeks in arrears. Policy becomes not just less arcane, but better.

Failing such open discussion of the issues, the Chancellor himself must be the single channel through which new ideas are brought to bear; but fortunately some worthwhile ideas are now on offer. Mr. Healey perhaps regards such interference as just one more cross for him to carry; but if he does, to change the metaphor, he will suffer the fate of the battleship which, according to legend, went down firing on its rescuers.

The TUC, for example, is clearly nothing but a nuisance when it revives the idea of a wealth tax just at the moment when the Chancellor, acting on behalf of all his officials, thought he had it decently buried. Indeed, to revive the absurd scheme—which was put forward in Mr. Healey's own Green Paper on a wealth tax—would not only be a waste of time but do positive harm. But if Mr. Healey will get someone to look up the report of the Select Committee which demolished his proposals, he will find a counter-proposal put forward by John Pardoe—and largely the work of Professor C. T. Sandford, who is not only an outsider but an academic—which has very much more to commend it.

The Liberal proposal is, in effect, for a much more burdensome wealth tax than Mr. Healey dared to contemplate—but its proceeds, which might now, I suppose, be put at £700m. annually, are used to abolish the investment income surcharge, imposing a ceiling of (nowadays) about 60 per cent. on marginal income tax, and abolish capital gains tax. Yet it would still show a gain in revenue, even apart from the putative gains to be made if tax avoidance ceases to be worthwhile. (I might add that a friend of mine in the tax avoidance industry, with whom I discussed the Pardoe-Sandford proposals, said that he hoped I would never get round to writing them up. I find his evidence even more impressive than that of the Professor).

A worthwhile wealth tax, redistributing between the haves and the have-nots, or from the passive to the active, rather than from rich to poor, is not a particularly socialist proposal (the "socialism" comes in the surplus revenue left over for downward distribution), but it would do wonders for incentive.

One source of taxation which the Labour manifesto has already drooled over is the £2bn. or so of interest paid annually out of gross income to the building societies — a sad demonstration yet again of the inability of the Labour movement to think any problem through to its end. The Chancellor might turn here for advice to virtually any academic (notably Mrs. Della Nevitt, who has been writing sensible things about housing for as long as I can remember) or to the Government's newest and oddest supporter, Mr. Enoch Powell.

Mr. Powell has long been pointing out that the special fiscal favour to owner-occupiers lies not in their ability to offset interest charges, but in the abolition of the tax against which such charges were originally offset — Schedule A. A tax on the benefit of ownership, which would have a capital base which can be estimated very conservatively at £150bn., would raise revenue not from those with a sufficient interest burden to offset it, but from those who are really the spoiled darlings of the system — owner occupiers who have already paid off their mortgage, or borrowed long ago at much lower values.

Tax credit

The surplus from a wealth tax—after abolishing higher rates and investment disincentives—together with the proceeds of an owner-occupation tax would produce about enough revenue to cut tax rates below the high rates by about 5 per cent. across the board; but they might equally produce enough to finance what many people would regard as a better alternative—the tax credit scheme sponsored, with much more enthusiasm than he ever felt for his fiscal policies, by Lord Barber. Such a scheme concentrates its benefits where the TUC and Mr. Healey surely want to see them, on the low paid with large family responsibilities. You can call it child endowment and win the support of Mrs. Barbara Castle. Either way, it offers by far the most effective method of abolishing the poverty trap, together with very useful savings in social administration. Incidentally, since it produces a non-cumulative tax system, it achieves some of the objectives which Mr. David Ennals and Mr. Joel Barnett were seeking in their short-lived idea of taxing social benefits.

Incidentally, a radical tax reform would do at least as much to impress our foreign creditors as a considerable reduction in the borrowing requirement. Many of them regard our present system as little less than insane. The revenue burden, as Government spokesmen like to point out, is not far out of line with that in many other countries, and well below that in Sweden. Now that the Chancellor has acknowledged the fact that the individual burden is nevertheless nearly insupportable, and since he has a well-founded regard for foreign example, there is some ground to hope that he actually means to tackle the problem he has identified: but he will not find the necessary ideas in the Labour manifesto, nor probably in the Treasury.

This agenda could well be extended — the urgent need to improve methods of defining and of monitoring the money supply, to avoid distorted figures and nasty surprises; the transformation, as soon as possible, of capital transfer tax into an accessions tax; the improvement of local government finance. All have this in common: they are achievable, they are cost-free, they can draw on a wealth of existing study, and they are beyond the scope of an administrative regime strained near breaking point. Yet it is only if he raises his eyes from day-to-day preoccupations and resumes the agenda which he used to discuss in his early weeks in office, can Mr. Healey realise the opportunity he once felt in becoming Chancellor. The Treasury is a graveyard only for those who allow themselves to become buried in its day-to-day affairs.

Letters to the Editor

isastrous Bill devolution

The Conservative ective Parliamentary date Northampton North.

—So, national self con- e has reached such a low hat David Watt (December n contemplate with equani- measures which have a high ibility of leading to national emberment. Either we can iggling and watch the dis- ion take place, or, alterna- , we can take such measures e necessary to restore our ity and our national pride. Watt is not only cynical nistaken if he believes that opportunist and disastrous hould receive the slightest ur. It is not about Devolu- but about separation. It be determinedly yed.

m a proper Government roduced proper policies to us from the appalling ms we face to-day, then nanded Devolution can be ered for introduction hout the kingdom.

Marlow.

rm, Willoughby, Warwickshire.

inorities will e

Mr. T. Lloyd Davies.

—I am writing as an exiled the deep feelings raised question of devolution y so many of us believe e decisions about to be are so unsatisfactory. only previous example of tion in the United King- Northern Ireland, where inster abdicated responsi- to Stormont, whose poli- through blatant neglect representing all persons in tate, have helped to fer- ue present crisis. It should e be considered whether outside Glasgow, where e population of Scotland wish to be ruled by e Clydeside and whether Walians and all those the confines of the indus- outh will wish to be ruled e whose vision is strictly to the Left-wing pre-war Like Northern Ireland, n power are likely to ride hod over those outside eliefs but unlike Northern it will not be based on nd historical reasons. It based on the ideology of tical minority who hide extreme views within ic political generalisa- which at the present time ously conceals their long- im and proposed conduct rnment. It also hides the at those who are likely eed to power on devolu- ill not be evenly drawn he respective regions but me from single conurba- thereby having narrow ts. Their remoteness from utside their interests will ghtened by the difference ents and dialects that, to f their electorate, will be tant as those of West- r but will nevertheless be l point of discontent. ieve that the Celtic fringe gions in England do not devolution. We need a central Government in our MPs represent our- ts and do not use the uencies as safe seats pay- ly lip service to those in a condescending man- The Labour Party in Wales e Conservative Party in nd, both of whom are and majority parties in those ies, should reflect on the of their MPs, as should the constituents and local party organisations. For me a few more Ian Sproats who are not prepared to hide behind compromise and half-baked ideas and who are prepared to expose the deficiencies and political wallpapering the better. We do not want in any form another Northern Ireland and we should all remember that Britain comes first, not last.

T. Lloyd Davies.
*Kymyn,
Old Avenue,
West Byfleet, Surrey.*

Political trumpery

From Mr. D. Duff

Sir,—This Scottish reader felt that David Watt hit the nail on the head when he wrote in "Politics Today" on December 3, "It is a fair accusation against the Government that most ministers are more concerned with the dangers to Labour's electoral position if they fail to pass the Bill, than with its positive advantages in promoting the better government of the country."—surely a grim reflection on this bit of political trumpery called Devolution.

If a referendum comes about and demands plain yes/no answers, one of the questions must be, "Should Scotland not stay as it is and maintain its established place as part of Great Britain?" If this prevails and wins the day, all could then get together, making the "great" mean what it says.

D. I. Duff,
*62, Hepburn Gardens,
St. Andrews, Fife.*

A thundering irrelevance

From Mr. M. Barak.

Sir,—Lord Watkinson's remark that "devolution is a thundering irrelevance *at this time*" (December 3) must ring a bell in the minds of many people. Day by day ministerial voices warn us that inflation will make life more and more intolerable, that the horror of unemployment will inevitably grow, that the standard of living must surely fall and that only by a concerted effort on the part of all of our working population can we hope to arrest our slide down the slippery slope. Surely there has been no time in the history of the country when the old battle cry, "united we stand, divided we fall" was not more appropriate. And what do we find? Instead of closing the ranks to fight the common enemy, our leaders are busily encouraging the troops to break ranks and set up separate establishments in Scotland and Wales. This will inevitably mean more people engaged in non-productive work, substantial increases in overhead administrative costs, but above all, a divisive effect on the all-out effort needed to carry us through our present almost overwhelming difficulties. No one would deny the need *in the long term* to introduce some form of devolution, giving Scotland and Wales some authority to run their own local affairs. But is this the time to be fiddling, when all of the trappings of our national survival seem to be in flames?

Monty Barak.
*Baydon Cottage, Folders Lane,
Burgess Hill, Sussex.*

Mortgage relief

From Mr. J. Roullier

Sir,—I have been reading the correspondence on the factors which affect the costs of public and private housing, and the discussion on subsidies given to each type of occupier. This is a subject which causes considerable confusion due to the complicated action of subsidies, tax relief, etc., and I have therefore made a calculation to show the effects on two similar persons earning the same income and buying a house privately or renting from the local authority.

You will see that the individual purchasing the private house would be paying £724 per annum more out of current income than the local authority tenant, although approximately £400 (say £10,000·25) could be looked on as a long-term saving for the future. In current income terms the private purchaser needs to earn an additional £1,100 per annum to end up with the same income after tax and housing costs as the council house tenant.

1—Assumptions
Income £3,500 p.a.—married man with two children. House value £12,000.
Private purchaser—£10,000 mortgage—repairs £100 p.a.
Council house tenant—£400 p.a. rent.

2—Calculation of income remaining after housing costs

	A Private purchaser £	£	B Council house tenant £	£
Income		3,500		3,500
Less Marriage allowance	1,085		1,085	
Child allowances	635		635	
Building society interest at 12½%	1,225		—	
	2,945		1,720	
Taxable income	555		1,780	
Tax at 35%		194		623
Income after tax		3,306		2,877
Building society repayment	1,313		—	
Rent	—		400	
Repair costs	100		—	
Interest less tax on £2,000 deposit invested	140		—	
Rates	150	1,703	150	550
Income after housing costs		1,603		2,327

This calculation does not look at the ability of individuals to buy or rent, or at the reasons which cause a person to make the different choices as these cannot be quantified. An examination would, however, show that the private house purchaser's motivations were better for the national interest, for example, independence, better environment, etc., as also would be the effects of his decision, for example, less inflationary personal spending, lower public expenditure, lower imports, etc. Having allocated this significantly greater sum to "house purchase" the owner occupier is also faced with the problem of financing the subsidy to the local authority tenant.

I believe that these calculations take all factors into account and will help to clarify this overall discussion.

J. H. Roullier.
4, Westbury Road, Northwood, Middlesex.

Disabled and punished

From Miss F. Lane Fox.

Sir,—Much is talked of the £5 per week mobility allowance payable to disabled drivers and passengers but less is said of the fact that those over the age of 50 are not entitled to one penny of it. Can anyone please explain why there is this harsh discrimination? Does the Government seek to punish severely disabled people for growing older? It could be so, for there is a precedent; those who draw the tax-free invalidity pension lose it at retirement age in exchange for the retirement pension which is taxable. The money diminishes while the handicaps increase. It looks a bit fishy.

Felicity Lane Fox, O.B.E.,
*30, Marlborough Court,
Pembroke Road, W.8.*

Taxing our recovery

From Mr. D. R. Evans.

Sir,—We read that the incentive to work rather than remain unemployed has been eroded still further by the recent increase in National Insurance benefits. We all know we cannot tolerate that situation much longer. We also read that thousands of Frenchmen visit our stores to buy our "cheap" goods. Inevitably, this price unbalance will be corrected. One wonders whether the incidence of our various taxes is partly responsible for these distortions.

If our standard income-tax rate was reduced from 35 per cent. to 25 per cent. then those in employment would keep more of their earnings, and some, at least, of the disincentive to work, would be removed. If our standard VAT rate was increased from 8 per cent. to 15 per cent. then our indirect tax rate and prices would move nearer to those on the continent.

The effect of these changes on the national income would be that the extra income from VAT would balance the loss of income from IT. In 1975, VAT and other Customs and Excise duties netted £9bn. Increasing the standard rate to 15 per cent. would increase this income by £4bn. In the same year IT netted £14bn. Decreasing the standard rate to 25 per cent. would reduce this income by £4bn. No national gain or loss.

The effect on the employed individual earning £60 per week would be that his IT would be reduced by £3 per week (from £13). As we spend 70 per cent. of our net income on consumer goods, then the VAT on his weekly consumer spending would increase by £3 per week (from £3). No gain or loss to the individual tax-payer.

These figures can be picked over in detail, and the adverse effects on minority groups can be raised, but surely we must consider bold policy changes to correct our direct/indirect tax structure which has evolved in a patchwork fashion and which now threatens our economic recovery.

D. R. Evans.
*"Garth," Lankhills Road,
Winchester, Hants.*

To-day's Events

GENERAL

Cabinet meets.

Britain due to repay $1.54bn. central bank standby drawings, but also due to receive $486m. from Italy in repayment of short-term loan.

Treasury issues figures of Central Government financial transactions, including borrowing requirement, for November.

EEC Environment Ministers meet, Brussels.

EEC Council meets on social questions, Brussels.

Professor Alan Peacock, Professor of Economics, University of York, and former chief economic adviser to Department of Industry, gives 1976 Wincott Memorial Lecture, "The Credibility of Liberal Economics," London School of Economics, W.C.2, 5 p.m.

PARLIAMENTARY BUSINESS

House of Commons: Debates on Committee on Public Accounts, and effect of rising prices on pensioners.

House of Lords: Consideration of Industrial Relations Order, and Supplementary Benefits (NI) Order. Debate on new Highway Code.

COMPANY RESULTS

Associated Television Corporation (half-year). Baker Perkins Holdings (half-year). Great Universal Stores (half-year). Lloyds and Scottish (full year). London Merchant Securities (half-year). J. Lyons (half-year). Pegler-Hattersley (half-year). Ransome Hoffmann Pollard (full year). Trafalgar House Investments (full year). United Gas Industries (half-year). Wolverhampton and Dudley Breweries (full year).

COMPANY MEETINGS

See Page 21.

COMPANY NEWS + COMMENT

LRC first half profit soars by 56.8%

IN THE half year to September 30, 1976, group sales of LRC International expanded by 32.5 per cent. to £42.37m. and pre-tax profits jumped by 36.8 per cent. to £3.77m. Profits for all 1975-76 reached £5.31m.

The directors are confident that the second half will reflect continued growth and performance and they intend to recommend the maximum permitted final dividend. Meanwhile, to reduce disparity with the final, the interim payment is lifted from 1.05p to 1.25p net per 10p share.

	Half-year 1976 £000	Half-year 1975 £000	Year 1975-76 £000
Group sales	42,370	31,979	65,336
Trading profit	4,679	3,296	7,151
Interest payable	911	894	1,844
Profit before tax	3,767	2,402	5,309
Tax	1,765	1,212	2,550
Net profit	1,999	[illegible]	2,759
Minorities	106	46	75
Extraord. debits	79	—	33
Attributable	[illegible]	1,144	2,651
Dividends	458	410	1,208

Direct exports and overseas operations have again contributed strongly to the success and there were significant increases from North America and India, members are told.

The Board is inviting Mr. Alan Woltz, president of Schmid Laboratories, Incorporated — the company's main operating subsidiary in North America, and Mr Michael Warwick-Smith, managing director of Sanitas Trust—the U.K. toiletries division, to join the Board of LRC International with effect from yesterday.

● comment

After achieving a full recovery in 1975-76, LRC appears to be re-establishing its growth trend in the current year. First-half profits are up by almost 37 per cent., reflecting improved contributions from both the U.K. and North American interests. Exchange profits (£460,000 in the first-half) are likely to be negligible in the second six months and since the corresponding period derived more than £1m. from this source, the growth trend must inevitably slacken. However, the wide product base which the group has built over the last couple of years must make LRC one of the most solidly-based companies in the domestic goods market. A full-year profit of around £6½m. should be within reach this year (for an overall growth of 23 per cent.), covering a maximum dividend of 11 per cent. (at 49p) more than twice.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Armitage Shanks ......int.	1.95	April 4	1.95	—	4.2
Brownlee ......int.	0.5	Jan. 12	—	—	1.85
Caravans Intl.	2.5	April 1	nil	3.5	0.2
Centreway Secs. ......int.	5.38	Jan. 14	4.4(a)	—	9.83(a)
Frederick Cooper	0.2	Feb. 4	0.65	0.4(c)	1.06
Deritend ......int.	3	Mar. 3	3	—	8.2
Eng. Card. Clothing ...int.	1	Jan. 31	0.8	—	2.38
Frederick W. Evans	0.72	Feb. 23	0.82	1.32	1.2
General Electric ......int.	1.83	March 31	1.65	—	3.27
Hanson Trust	3.13	Feb. 4	2.73	5.63	5.12
LRC Intl. ......int.	1.25(b)	April 1	1.05	—	3.09
M and G. Second Dual int.	2.3	—	2.1	—(d)	3.88
Pilkington Bros. ......int.	3.12	Feb. 3	4.36	—	9.38
Progressive Securities int.	0.75	Jan. 3	0.75	—	2.5
Russell Bros. (Paddington) int.	0.75	Jan. 28	0.75	—	3.54
Victoria Carpet ......int.	0.44	Feb. 24	0.44	—	1.41
Wagon Industrial ......int.	2.5(b)	March 25	2.1	—	6.19
J. W. Wassall ......int.	0.2	Jan. 12	0.2	—	0.2

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Adjusted for consolidation of 10p shares into 50p shares. (b) Increased to reduce disparity. (c) For 16 months. (d) Total of at least 4.2p forecast.

substantially but margins have been improved and Sterling's fall has upvalued the overseas contribution. The recovery on the Continent has been particularly marked (up 97 per cent.) but it was this area which was worst hit in the downturn. Meanwhile, the stock market's attention is as much on the big share holdings as on the trading outlook. Carclo Engineering has built up its stake from 14.4 per cent. in July to 17.2 per cent., while Joe Hyman continues to hold his 25.3 per cent. share. Carclo is considerably smaller than ECC and claims not to be considering a bid, but it is very lowly geared. Now that 42½ per cent. of the shares are in only two hands, the chances of a bid emerging eventually must be considerable. ECC shares have risen from 44p to 49p this week, where the equity is priced at £2.8m. The prospective yield is 8.4 per cent.

Deritend 37% fall at halfway

A DECREASE in pre-tax profit of 37 per cent., from £753,000 to £476,000, is announced by Deritend Stamping Co. for the half year to August 31, 1976, but the directors state that improved results are expected for the second half.

The group is fully equipped with new up to date plant and equipment, they say, and following any upturn in the economy is in a strong position to meet subsequent increases in demand.

Sales for the first half year were slightly up at £9.88m. against £9.57m., and the tax charge was £247,300 compared with £391,600.

Stated earnings are 9.3p, down from 14.7p. An unchanged interim dividend of 3p net per 50p share is announced. Last year's total was 8.2p from profits of £1.33m. The directors state that the dividend has not been increased in order to conserve resources and allow for continuing expansion.

The directors add that the depressed state of the economy has had an adverse effect on demand for products of some of group's constituent companies. This, with the new companies being developed not having reached the profitable stage, has resulted in the decrease in pre-tax profit.

● comment

Deritend Stamping's interim profits slid a further 37 per cent. after an equal drop in the second half last year. The two new divisions, aluminium castings and brass valves, have not yet broken even; general engineering continued to bump along the bottom; and, overall, the factories were working at only 60 per cent. capacity. Finally, there was an overnight downturn in the gas turbine division, which ran into losses. The picture halfway through the second half, however, looks much more cheerful. Both forgings and electrical repair equipment are steady but there has been a big improvement in general engineering as a result of the pick-up in the motor industry. Since August orders have been flowing through and order books are now full to the year-end. The shares, though, suffered from continuing doubts over the strength of the recovery in the engineering sector, and were marked down 3p to 105p, where the maximum dividend would yield a prospective 13.6 per cent.

English Card tops £1m. so far

ON EXTERNAL sales up from £6.14m. to £7.95m. pre-tax profits of English Card Clothing, manufacturers of card clothing and iron and steel wire, rose from £787,000 to £1,033,000 for the six months to September 25, 1976. Stated earnings advanced from 4.3p to 6p per 25p share.

From trading results to date and the current position of the order books the directors estimate that the second half profits should show some improvement on the first.

The net interim dividend is increased from 0.8p to 1p per share, absorbing £37,000 (£46,000). In the year to March 31, 1976 the total was 2.3826p paid on a pre-tax profit of £1,546,031.

U.K. tax, most of which will be deferred, increased from £61,000 to £81,000 and foreign tax from £431,000 to £556,000. Profit attributable to shareholders advanced from £252,000 to £350,000.

An analysis of attributable profit by areas where the group has factories shows (£000 omitted): U.K. £74 (£55); Europe other than U.K. £118 (£60); and India £158 (£137).

The figures exclude extraordinary credits of £424,000 (£76,000).

● comment

English Card Clothing has made a big stride towards returning to its 1974-75 level of profits with a 31 per cent. increase in pre-tax profits. Volume has not increased

Recovery at Centreway Securities

PRE-TAX profits of Centreway Securities recovered from £74,000 to £217,000 for the half year to September 30, 1976, including a share of £39,000, against £17,000, from associates. Turnover rose from £2.12m. to £2.46m.

After tax up from £36,000 to £112,000, stated earnings advanced from 4p to 12p per 30p share. The interim dividend is effectively raised from 4.395p to 5.375p per share. Last year's total was equal to 9.83p paid from pre-tax profits of £384,376.

Wagon Ind. to hold £2.77m.

IN THE HALF-YEAR ended September 30, 1976 profits of Wagon Industrial Holdings moved ahead from £1m. to £1.24m. but the directors state that the cut-back in public spending is affecting certain sections of the group and for the full-year they anticipate that the profit figure will equal the £2.77m. reported for 1975-76.

The directors say that while the group's extensive product range provides a stabilising influence, certain activities are now being affected by the restriction of expenditure at national and local government level, which makes it unlikely that results for second half will equal those of the same period in 1975-76.

The first half profit attributable to Ordinary holders emerges at £582,337 compared with £460,392, and earnings per 25p share are 6.5p (5.1p).

The interim dividend is raised from 2.1p to 2.5p net. This is to reduce disparity and it is intended at least to maintain the current year's total at 6.194p.

	First half 1976-77 £	First half 1975-76 £
Turnover	12,674,9[illegible]	12,753,877
Trading profit	1,156,7[illegible]	1,007,768
Interest receivable	196,176	9,231
Interest payable	[illegible]	[illegible]
Profit before tax	1,257,383	1,004,782
Taxation	[illegible]	522,306
Minorities	[illegible]	7,383
Attrib. Ord.	582,337	460,392

● comment

The first-half profits at Wagon Industrial Holdings are up 23 per cent., but the second half is unlikely to repeat last year's 31 per cent. jump; exports are only creeping up, with the chance of reaching 25 per cent of turnover (against 21 per cent last year), as a result of Middle East orders. Meanwhile, the wagon repair and Oleo pneumatic divisions are vulnerable to spending cuts at British Rail as is the road signs section to local authority economies, and the recovery on the general engineering and fasteners side is unlikely to be sufficient to bring the total above last year's final profit levels. At 82p, a maintained dividend would yield 12 per cent.

J. Grant sees satisfactory result

Trading profit of Edinburgh-based house furnishers James Grant and Co. (East) for the nine months to October 31, 1976, was £340,200 compared with £309,700, after taking account of deferred service charges but before tax.

Sales during November are in excess of last year, the directors state, and providing no adverse trading conditions are encountered in December and January the result for the year should be satisfactory.

An unchanged interim dividend of 1.75 per cent. will be paid on December 14.

The company is private and has "close" status.

WHY WIMPY HAD TO BE SOLD

The trouble in the Lyons den

BY KEITH LEWIS

UNTIL quite recently, J. Lyons was a successful, if rather staid, group. Then it decided to abandon the sleepy image and take the plunge for growth.

In a succession of deals in the early 1970s Lyons made acquisitions in both North America and Europe. It also put into motion the expansion of the U.K. hotels chain and the building of a new cake manufacturing factory in Carlton to take over from the vast Cadby Hall site in West London which was to be redeveloped.

In pursuing its ambitions, Lyons amassed a huge pile of debt: borrowings in the last balance sheet for the year ending March 25, 1976, amounted to £240m. Applauded at the outset for its enterprise—and encouraged by the banking community to borrow the cash—the burden of the debt has proved too much. Hence, the announcement yesterday of two substantial sales following the disposal of 35 of its hotels—the bulk of that business—to Trust Houses Forte for £27.6m. at the beginning of November.

The opposite

The sale to United Biscuits of the Wimpy franchise and the business of supplying the Wimpy, Golden Egg and Bakentake chains in the U.K. is expected to net Lyons about £7m. The second disposal of its U.S. Tetley operation to the American Liggett Group—better known for its interests in tobacco, wines, spirits and pet foods—will net a further $US27m. (£16½m.).

The trouble for Lyons has been not only the amount of the debt but its nature. More than £170m. of the £240m. was in foreign borrowings. The idea was that the overseas acquisitions were expected to be troublesome at the outset and therefore it was considered better to channel the interest payments through the U.K. where it was expected that profits would be good.

In the event, the opposite happened. Recession set in and price controls were imposed, spendable incomes dropped, the tourist trade withered at a crucial time and sterling began to plummet. Furthermore profits from property development, which at one time contributed more than £3m. a year, evaporated along with the common experience in that sector.

It was the overseas acquisitions that were supporting the U.K. and every time sterling edged lower so the borrowings became more painful.

Exactly how much good the disposals will do Lyons is to be revealed in to-day's half-year statement, which is expected to contain more than a usual amount of detail on balance-sheet items. But it has been said, without complaint from Lyons, that the group needed to raise £50m. by selling off assets to alleviate problems. With the latest sequence of disposals amounting to more than £51m. this goal appears to have been achieved.

The loss of the Wimpy business is sure to be particularly sad for Lyons, which has run the operation for more than 20 years. In terms of the value of that business, the turnover in the last accounts was £8.1m. and pre-tax profits were £1.4m. The book value of the assets was £1.3m.

For United Biscuits the purchase of this business serves a dual purpose. First, the acquisition slots in nicely with its DS Crawford subsidiary, which is already one of the largest operators of a Wimpy franchise in the U.K. The second bonus is that, because United Biscuits is paying for the acquisition with its shares — to be placed immediately in the market to raise the hard cash—the increase enables the group to raise its dividend.

The final point is that the price it is paying for the Wimpy franchise business, while by no means a forced sale, does represent a very fair one. It adds roughly 5 per cent. to the equity of the group in exchange for the addition of about 6 per cent. on an historic profits basis.

The sale of the Tetley business to Liggett, in which Rothmans has a 9 per cent. stake, probably is not quite so much of a wrench.

When Lyons originally bought Tetley it was only to acquire the U.K. Tetley tea bag business—the U.S. side was merely part and parcel of the deal. Under the latest deal with [illegible] only the U.S. side th[illegible] to disappear, which [illegible] manufacturing and [illegible] Tetley Brand Tea pr[illegible] coffee products [illegible] Martinson Bustelo [illegible] and Mr. Automatic [illegible] The U.K. side of Tet[illegible] intact.

The profitability of [illegible] has not been revealed [illegible] 1975 its annual sales [illegible] which is dwarfed by [illegible] turnover of the pure[illegible]

The fut[illegible]

So what does the [illegible] for J. Lyons? [illegible] observers have been [illegible] group's obituary. [illegible] disposals, J. Lyons [illegible] an annual turnover [illegible] £600m. at the end [illegible]

It will remain [illegible] sented in No[illegible] through its succes[illegible] Baskins-Robbins [illegible] Corporation of A[illegible] will retain rep[illegible] Europe through, [illegible] Homburg, the Du[illegible] cessing business wh[illegible] for £8m. as part of [illegible] programme, plus [illegible] in Holland—and [illegible] France.

As for the U.K., [illegible] that Lyons will [illegible] viable but will expa[illegible] base of being a ver[illegible] manufacturing an[illegible] group.

Duple Intl. improves to £0.9m.

TURNOVER FOR the year to August 31, 1976 of Duple International rose from £9.6m. to £11.64m. and pre-tax profits recovered from £266,000 to £901,000 after £60,434, against £153,888 for the first half. Full year earnings are shown at 1.4p (0.26p) per 5p share.

The directors say that despite the improvement the need for further consolidation remains and again there is to be no dividend. The last payment was 0.75p net for 1972-73.

	1975-76 £000	1974-75 £000
Turnover	11,644	9,597
Pre-tax profit	902	266
Tax	476	158
Minority loss	—	3
Extra-ordinary debits	279	472
Retained	152	†371

† Loss.

Hazlewoods shares suspended

Hazlewoods (Proprietary), the sauce and pickle concern, has requested the suspension of its share listing following a loss of over £200,000 in the year to March 31, 1976. The shares had fallen ½p to 18½p before suspension.

The Board, headed by Mr. Herbert Towning, said yesterday that the loss together with capital expenditure incurred had imposed strains on the group's working capital.

Pending details of a proposed reorganisation of the group—since the year end steps have been taken to restore profitability and to secure finance on a longer term basis—the shares have been temporarily suspended.

In June, 1975 Hazlewoods raised over £60,000 by a rights issue at 25p a share.

Collars Group midway fall

Pre-tax profit of Collars Group for the 26 weeks to September 30, 1976, was £22,276 against £89,831, after depreciation and renewals of fixed assets £58,347 (£53,415). Tax took £11,584 (£46,603).

ABERCOM INVEST.

Abercom Investments is returning to its former practice of declaring the interim dividend in February, together with the publication of the half yearly report.

For the past three financial years interims were declared in December, with the register closing prior to end of that month, in order to exclude from participation in dividends those shares issued on December 31 on conversion of convertible notes.

But all convertible notes have now been converted into Ordinary shares or repaid.

Victoria Carpet

TURNOVER FOR the half year to October 2, 1976 of Victoria Carpet Holdings showed little change at £4.83m. against £4.88m., while profits fell from £244,144 to £27,327 before tax of £14,210 compared with £126,954.

The directors report that since September, an upsurge in demand for new ranges and designs has enable the company to achieve record sales for the past two months. They are concentrating on exports which increased by 40 per cent. in value during the period. Increases in costs continue to cause anxiety, they add.

The interim dividend is held at 0.4375p net per 25p share. Last year's total was 1.4076p paid from pre-tax profits of £579,215.

Midway profit for Russell Brothers

Shopfitting specialists and exhibition contractors Russell Brothers (Paddington) reports a turnround from a loss of £20,590 to pre-tax profits of £9,575 for the half year to August 31, 1976. Turnover expanded from £0.35m. to £0.61m. There is a tax charge of £3,335 compared with a credit of £4,000.

The interim dividend is kept at 0.75p net per 25p share. Last year's total was 3.5365p paid from pre-tax profits of £45,485.

The directors say that prospects are dependent on orders being obtained at economic levels and the receipt of orders is, in turn, related to business confidence which at present is sadly lacking.

Mr. R. H. Eyres left the company on August 28, 1976 but has rejoined and has been re-appointed a director.

LONG TAP

The prospectus is published to-day in connection with the latest long tap issue. The issue of £500m. of 15¼ per cent. Treasury Loan 1998 at £99 per cent. is payable in full on application and the list of applications opens and closes to-day.

Brownlee well ahead at midway

TIMBER MERCHANTS Brownlee and Co. more than doubled pre-tax profit in the 26 weeks to September 25, 1976, from £385,000 (for 24 weeks) to £816,000. Turnover increased from £6.69m. to £8.94m.

Stated earnings are up from 2.5p to 3.7p per 25p share, and the company is to pay an interim dividend for the first time. The dividend is 0.5p, meaning that the final dividend is limited to 1.5322p. The directors consider that they will have no difficulty in recommending that amount. Last year's single payment was 1.84745p from profits of £864,814.

Mr. P. A. Barns-Graham, the chairman, says that although overall turnover increased, the proportion represented by softwood and hardwood fell slightly compared with last year. Buying prices have continued to rise sharply, principally due to the continuing fall in the value of sterling.

A significant proportion of the substantial increase in trading profit represented stock profits, he adds, and it is unlikely that the same measure of stock profits will occur during the second half.

The results do not include the profit on sale of the company's investment in Alliance Alders, which took place during the period. This realised £594,000, which produced a net surplus of £279,000 over book value.

The company has deliberately reduced its reliance on softwood and hardwood, the chairman says. A continuation of this policy, together with the increasing demand received for the requirements for home modernisation, will further enhance trading prospects and should help to reduce the fluctuations in trading pattern, he adds.

There has been an increased working capital requirement as a result of substantially increased turnover and of the cost of stock replacement, but the company has continued to apply a firm control to cash flow, which remains satisfactory, says Mr. Barns-Graham.

Statement Page 26

M.Y. Dart prospect 'very good'

The affairs of M.Y. Dart are in a satisfactory shape, and prospects are very good, says the chairman. The [illegible] have begun the cu[illegible] a highly satisfacto[illegible] adds.

Action has bee[illegible] improve the efficie[illegible] tions in companies [illegible] U.K. and France w[illegible] cerned with distrib[illegible] goods to mainly re[illegible]

Reflecting [illegible] covery group [illegible] the year to [illegible] £1.18m. (£1.22m.) [illegible] November 9.

An analysis [illegible] (£000s omitted) [illegible] goods £4,993 [illegible] (£830): packag[illegible] and £180 (£[illegible]) £1,323 (£810) [illegible] Share associat[illegible] £1,167 (£951) [illegible] packaging £78[illegible] (£40).

Direct expo[illegible] £3,430,936 split [illegible] centages) N[illegible] America 58; E[illegible] Asia and Aus[illegible]

Mucklow continue[illegible] profitab[illegible]

During the [illegible] 1976, A. and [illegible] again suffered [illegible] costs which co[illegible] on to house pu[illegible] the group carri[illegible] reorganisation [illegible] ing activities, [illegible] the direct labo[illegible] redundant. "[illegible] so that we can [illegible] at lower levels [illegible] the past," st[illegible] Mr. Jothan Mu[illegible]

Despite extre[illegible] rates and [illegible] uncertainty th[illegible] to sell houses [illegible] should ensure [illegible] ability he adds.

The financia[illegible] strong. Rents [illegible] continue to [illegible] trading compa[illegible] able profit pot[illegible] told.

The realisat[illegible] and reorganisa[illegible] investment co[illegible] tinuing, resulting [illegible] surplus of £517,361 [illegible] is stated.

As reported on [illegible] pre-tax profits rose [illegible] to £1.72m. in 1975-76. [illegible] is 5.9613p (5.494p) [illegible] share.

Mr. Jothan Mu[illegible] relinquish the ch[illegible] favour of Mr. A[illegible] after the AGM [illegible] December 31 at [illegible]

RESULTS AND ACCOUNTS IN BRIEF

LONDON CREMATION COMPANY—Pre-tax profit for six months to September 30, 1976, £20,838 (£21,411).

HIGHLANDS AND LOWLANDS—Second interim dividend 10 per cent. less Malaysian tax. Payable December 31.

M.T.D. (MANGULA)—Results year to September 30, 1976, already reported. Fixed assets $Rhod.22.64m. ($Rhod.22.19m.), net current assets $Rhod.0.27m. ($Rhod.0.94m.). Meeting, Salisbury, Rhodesia, January 25, 1977.

LOWER PERAK TIN DREDGING—Interim dividend, 7½ cents per share, less Malaysian tax for year ending April 30, 1977. Payable January 12. Total in 1975-76 was 15 cents.

ATTWOOD GARAGES—Interim 0.8125p net (same—total 1.45p). Turnover (excluding VAT and car tax) half year to July 31, 1976, £1,930,923 (£1,982,837). Profit £31,807 (£17,015), less tax £11,239 (£8,849). Earnings per share 0.40p (0.20p). Trading improvement has continued in the third quarter, and based on present information, directors anticipate that the final profit will be comparable to last year (£59,325 pre-tax).

WYNDHAM ENGINEERING—Turnover £109,000 (£72,000) half year to September 30, 1976. Profit £9,500 (£2,300) after tax of £9,500 (£350).

UTAH MINING AUSTRALIA—Final dividend, 6 cents making 11 cents (7.5 cents) for year ended October 31, 1976.

TONGKAH HARBOUR TIN DREDGING—Results for year to June 30, 1976 already reported. Fixed assets $M1.37m. ($M1.36m.), current assets $5.32m. ($7.2m.), current liabilities $1.37m. ($2.11m.). Meeting, Kuala Lumpur, Dec. 30.

NORTHERN IRISH AND SCOTTISH INVESTMENT TRUST—Gross revenue £66,213 (£68,838) for year to October 31, 1976. Net revenue £53,838 (£32,325) after tax of £28,102 (£16,227). Earnings per 25p share 0.78p (0.71p). Net asset value per Ordinary share 23p (25p). Final 0.45p net (0.55p), making total 0.7p net (0.85p).

DUCKWARI TEA AND RUBBER ESTATES—Report and accounts for year to October 16, 1975, have been delayed. AGM has been convened for December 31, 1976, but will be adjourned to a date when the report and accounts will be available.

ARCHIMEDES INVESTMENT TRUST—Second interim in lieu of final 2.68p making 4.08p (4.29p). Gross revenue for year to October 31, 1976, £102,724 (£95,893). Net profit £[illegible] (£56,329) after tax of £32,508 (£29,963). Earnings per 25p income share 4.75p (4.5p). Net asset value 47.75p (62.25p).

PETALING TIN—Pre-tax profit, year to October 31, 1976, $M7.50m. ($3.68m.) after depreciation $1.69m. ($1.63m.), investment income (gross) $169,000 ($36,925) and exceptional credits $197,000 ($27,873). To tax $1,441,000 ($150,580). Insurance claims outstanding at October 31, 1975, have not been settled and litigation is pending, the directors state.

SPEEDWELL GEAR CASE COMPANY—Results for the year to July 31, 1976, already reported. The company is well placed to make headway under adverse conditions. To maintain the group's liquid position the directors have not recommended a dividend. Fixed assets £358,565 (£362,265). Net current assets £219,015 (£191,221). Meeting, Birmingham, on December 30, at noon.

PHOENIX MINING AND FINANCE—Results for year to September 30, 1976, already known. Current assets £471,688 (£524,542). Current liabilities £14,729 (£27,745). Globe and Phoenix Mining holds 42.8 per cent. interest. Meeting, 100, Old Broad Street, London EC, December 30, at noon.

MOSS ENGINEERING GROUP—Results year to August 31, 1976, already known. Group fixed assets £1.98m. (£1.9m.). Net current assets £4.05m. (£3.57m.). Net improvement in liquid funds £229,000 (£416,000). Chairman says group is in good order. "We look forward with eagerness to the programme we have set ourselves." Meeting, Warwick, December 30, at 2 p.m.

WILSON PECK (general retail music dealers)—Board hopes to hold AGM in the first half of January. Delay in publishing accounts for year to March 31, 1976, due to complexity of accounts arising from affairs of subsidiaries.

PROGRESSIVE SECURITIES INVESTMENT TRUST—Interim dividend 0.75p (same and 2.5p total). Gross revenue half year to September 30, 1976, £37,146 (£50,470). Pre-tax revenue £46,302 (£89,590). Tax £15,099 (£32,344). Net asset value 102p (57p) per 50p share.

TILLEY LAMP (light engineering manufacturer) — Turnover £1,031,382 (£1,092,294) for year to June 30, 1976. Pre-tax loss £49,878 (£47,655), after depreciation £101,000 (£98,233), crediting overheads capitalised on work on plant and tools £13,506 (£26,733), and amount withdrawn from capital and investment grants reserve against depreciation £26,833 (£28,216). Tax credit £19,290 (credit £26,881), extraordinary debits £33,820 (nil), leaving loss for year £64,100 (£20,774). Loss per 25p share, before extraordinary items 7.7p (5.6p). No dividend (same).

WINKELHAAK MINES—Results for the year to September 30, 1976, already reported. Mining assets £40.44m. (£40.35m.). Net current assets £2.22m. (£1.9m.). Meeting, Johannesburg, on January 28.

KINROSS MINES—Results for the year to September 30, 1976, already reported. Mining assets £50m. (£43.78m.). Net current assets £1.32m. (£1.6m.). Meeting, Johannesburg on January 28.

BRACKEN MINES—Results for the year ended September 30, 1976, already reported. Mining assets £17.08m. (£17.13m.). Net current assets £1.25m. (£1.34m.). Meeting, Johannesburg on January 28.

LESLIE GOLD MINES—Results for the year to September 30, 1976, already reported. Mining assets £28.08m. (£26.13m.). Net current assets £1.75m. (£1.61m.). Meeting, Johannesburg, on January 28.

Pilkington turns in £27m. in first six months

LOWING THE second half 76 recovery to £25.63m., com- d with a depressed first half e of £8.95m., Pilkington hers has turned in a pre-tax ice of £27.63m. for the first nonths ended October 2, 1976, h Sir Alastair Pilkington, man, says is closely in line expectations.

wever he regards the future ncertain as there is a pause e recovery of almost every try and especially the U.K. group is in a strong com- ive position and should be to do well in reasonable trad- onditions.

the trading level the contri- n from the U.K. was up from m. to £9.19m. in the first half, overseas side produced an nce from £1.12m. to £6.26m., licensing income went ahead £8.47m. to £14.51m.

e chairman feels that the pro- still below the level adequate courage the growth he wants e. Overseas operations con- d to advance and there was arked improvement in the ralian operations after the pointments of previous years. e Indian fibre glass operation ned record results but the glass company there had us trading and liquidity prob- Major Board and manage- changes have been made and it set on the financial assist- being given by Pilkington. A ent provision of about £2m. been made to cover the loss is operation.

	First half 1976-77 £000	1975-76 £000
	191,465	129,734
	110,736	88,129
seas	100,617	51,985
inter group	19,948	10,229
g profit*	15,460	1,856
	9 199	847
rseas	6,261	1,116
ing income	14,506	8,469
of associates	2,348	1,415
nterest	4,689	1,987
before tax	27,629	8,953
ion†	19,654	8,567
rofit	7,975	386
ities	796	13
ordinary debits‡	1,830	986
utable	5,379	17
ends	3,133	2,626
ed	2,745	§2,609

fter depreciation £16.3m. (£7.53m.), bution to replacement of fixed assets (£4.27m.), and obsolescence of assets £2.43m. (£2.29m.). † Includes tax £13.13m. (£5.93m.) and overseas (£2.63m.). Relationship between and the tax charge affected by wance for tax purposes of charges placement and future obsolescence ed assets and by losses in certain liaries. ‡ Comprises closure costs recoveries credit £415,000 (£166,000 and pre-commissioning expenses (£200,000). § Deficit.

e float glass plant in Sweden production and a large part of extraordinary items of £1.83m. relates to pre-commissioning costs of this major investment. In October the glass fibre wool plant at the new works at Pontyfelin, South Wales, was brought on stream.

Earnings per £1 share before extraordinary items are 11.8p (0.6p). The interim dividend is raised from 4.363p to 5.119p net—the 1975-76 total was 9.38p.

The results of overseas companies have been converted at rates ruling at October 2. In accordance with previous practice, unrealised exchange profits of £10.2m. arising on the conversion of net assets of overseas companies and unrealised exchange losses of £3.8m. arising on the conversion of overseas long-term borrowings by the parent company have been taken to reserve. Net exchange profits of £0.8m. on the normal activities of the group, including short-term borrowings, are included in the trading profit.

Capital expenditure during the year totalled almost £30m. The £17.9m. set aside for the replacement of fixed assets on a current cost basis and for obsolescence helped to finance these investments the directors point out.

See Lex

Caravans surges to £2.1m.

FOR THE year to August 31, 1976 Caravans International reports a jump in pre-tax profits from £1.25m. to £2.1m. At halfway a turnround from a loss of £363,000 to a profit of £551,300 was reported.

The directors believe that profits for the current year should be in line with those now reported.

Net earnings for the year under review rose from 0.25p to 8.62p per 20p share and in view of improved results a final dividend of 2.5p net raises the total from 0.2p to 3.5p, subject to Treasury consent.

The directors state that the group's U.K. companies have stemmed their losses and should produce a satisfactory profit in the current year. In view of economic and political difficulties South African companies are unlikely to make any significant contribution but the other major overseas companies should again show satisfactory results.

	1975-76 £	1974-75 £
Sales	44,574,900	39,725,300
Pre-tax profit	2,097,100	1,250,200
Tax	1,225,000	1,022,100
Net profit	872,100	228,100
Minority profit	158,100	207,900
Extra ordinary debits	116,900	782,800
Foreign exchange gains	474,000	345,706
Making	1,069,100	*416,506

* Loss

Cawdaw upsurge at midway

Sales of Cawdaw Industrial Holdings, formerly British Cotton Wool Dyers' Association, advanced 45 per cent. in the six months to September 30, 1976 and despite higher interest pre-tax profits surged ahead from £70,259 to £274,634. Profit for the last full year totalled £313,210.

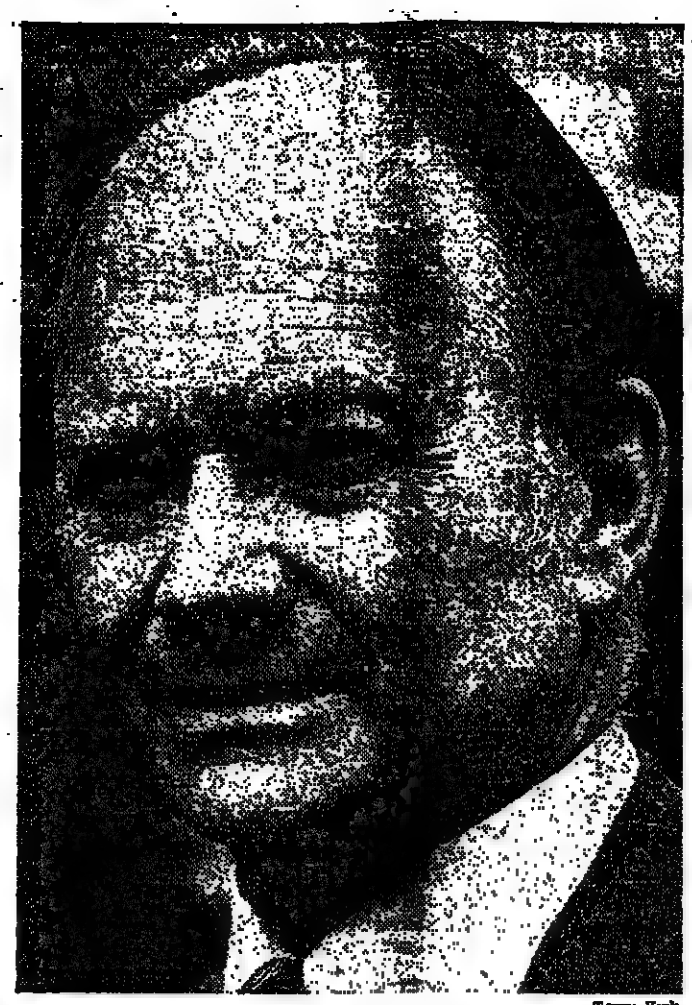
	Half-year 1975 £	1976 £
Sales	5,537,728	3,805,341
Profit	364,018	141,604
Interest	89,384	71,345
Profit before tax	274,634	70,259
Tax	144,286	37,827
Net profit	130,348	32,432

Chairman, Mr. G. H. Lowe reports that in the first half the textile division contributed "handsomely" to the group profit and retail outlets and engineering company have improved on their previous performances. The timber business in the New Forest has been profitable but the kitchen furniture side continues to experience difficulties due to the recession in the building industry. Remedial action is now taking place.

EMI records sales jump

In November, EMI Records sales in the U.K. were up nearly 34 per cent. compared with a year ago, and December is expected to be another successful month.

Sales last month reached £7.03m., an increase of £1.8m. Although the U.K. record market is estimated to be down by 10 per cent., EMI Records' share has risen by 5 per cent.



Terry Kirk

Sir Alastair Pilkington, chairman of Pilkington Brothers.

Hanson tops £19m. and pays maximum

THE SUBSTANTIAL increase in profit expected by Hanson Trust for the year to September 30, 1976 turns out to be from £12.13m. to £19.2m. on turnover of £322.16m. compared with £75.67m. At midway, profits were £7.82m. against £5.67m.

Full year earnings are shown to be up from 9.8p to 15.1p per 25p share and, as promised, the dividend total is raised from 5.1194p to the maximum permitted 5.6313p net with a final of 3.1313p.

Tax takes £8.19m. (£5.33m.) and minorities £0.84m. (£0.62m.). The balance attributable to Ordinary holders is £10.16m. (£7.99m. after extraordinary credit of £1.81m.). Assets per share are shown at 85p (72p).

The directors state that the company's basic strength, reflected in its earnings performance and its cash position (£37.7m. in cash and short term deposits), emphasises the potential for the coming year.

Sales and pre-tax profit consisted of Agriproducts: sales U.S. £168.54m. (£20.88m.), U.K. £11.05m. (£5.71m) and profits, U.S. £7.7m. (£7.9m.), U.K. £565,000 (£575,000). Industrial services, sales, U.S £91.9m. (nil), U.K. £47.88m (£43.72m.) and profits, U.S. £8.18m. (nil), U.K. £6.06m. (£3.34m.) Parent—including property, sales £2.78m. (£5.36m.) and parent company expenses and interest less property and other income, debit £1.3m. (profit £322,000). Profit on the reduced property activity of £184,000 (£47,000) is no longer material and has accordingly been included under this heading.

The construction equipment and building material companies produced the major part of the increase with profits more than doubling to £5.42m. (£2.63m.).

Growth in the U.S. continues apace, members are told. Before interest on purchase costs, Carisbrook doubled its profit to £6.18m. and Hygrade Food Products made an initial contribution of £2.44m. for its first six months within Hanson.

Seacoast, in more difficult markets, produced an excellent return on capital employed with a profit of £5.26m. (£7.9m.). The U.S. accounts for 57 per cent. of the company's pre-tax profit and U.S. borrowings are amply covered by assets there.

● comment

The results of Hanson Trust have emerged at the top end of the range of expectations and the U.K. side has made a strong advance to add to the now predominant U.S. earnings which have been further boosted by the Hygrade acquisition. Thus the U.K. brick activities have much more than doubled profits to some £3.5m., although prospects are currently somewhat less bright. In the U.S. the economic upturn has helped to push the textile interests higher, and while Seacoast is down, the recent summer fishing season, which will show up in next year's figures, promises well. At 103p the p/e is 6.6 and the yield is 8.9 per cent.

UKPI launches new scheme

The United Kingdom Provident Institution has completely redesigned its Individual Pension Plan which aims at the growing executive pensions market. The new scheme offers flexible benefits to directors and other key executives both on retirement and on death in service, the attractions being competitive rates and high bonus allocations on the benefits.

The company is among the leaders for with-profit pension contracts—the rates for the new plan being £4.50 per cent. per annum on benefits plus existing bonuses, together with a terminal bonus of 25 per cent. of attaching bonuses.

Many companies are now providing pensions for directors through a separate scheme from the main company pension scheme. It enables much more flexible benefits to be paid to such persons with a much shorter qualifying period for maximum benefits than would be possible under the main scheme.

The benefits provided include a tax free lump sum on retirement plus pension taxed as earned income with a widow's pension on death. Should the executive die in service a tax free lump sum would be payable together with a widow's pension.

UKPI has reviewed all its rates under the scheme making them competitive and has streamlined the administration. It now provides generous free cover, that is acceptance without medical examination, provided at least three members participate.

GEC halftime profit jumps to £120m.

AN ADVANCE of £32.6m. to £119.8m. in group pre-tax profit is reported by the General Electric Company for the six months ended September 30, 1976, on sales £172m. ahead at £963m.

Despite the slackening in demand for some products in the U.K. and in some overseas countries, there has been growth in a number of product fields, the directors state. Outstanding group orders at September 30 were 15 per cent. up on the previous year.

The half year profit includes share of profits of associates up from £10.5m. to £15.3m., but is after providing £6.7m. (£3.9m.) against such profits. The directors explain that the provision has been made to reduce the company's share of the profits of the British Aircraft Corporation to that covered by dividends approved by the Secretary of State, and the results for the half year have been restated to give effect to this.

The half year balance attributable to Ordinary holders emerges at £56.8m. (£41.1m.) and earnings per 25p share are 10.35p (7.48p). The interim dividend is raised from 1.65p to 1.82p net—the total for 1975-76 was 3.269p paid from profits of £207m.

	Six months 1976 £m.	1975* £m.
External sales	963	791
Profit†	119.8	87.2
Taxation	62.2	45.1
Net profit	57.6	42.1
Minorities	0.8	1.0
Attributable Ordinary	56.8	41.1

* Adjusted. † Includes interest receivable from loans and deposits less bank interest payable £15.1m. (£7.7m.), share of profits of associates £15.3m. (£10.5m.), and is after provision against share of profits of associates £6.7m. (£3.9m.) and loan interest £4.3m. (£4.5m.).

A divisional analysis of total sales and percentage contribution to earnings shows: engineering £136m. (£109m.) and 13 (10) per cent.; industrial £127m. (£110m.) and 22 (22); electronics, telecommunications and automation £273m. (£222m.) and 26 (25); components and cables £115m. (£99m.) and 11 (10); consumer products £99m. (£91m.) and 5 (7); and overseas £287m. (£220m.) and 23 (26)

Export sales totalled £232m. (£178m.) and, export orders received amounted to £392m. (£260m.).

The directors point out that the average number of people employed in the U.K. fell by about 5 per cent., mostly as a consequence of the fall-off in orders from the Post Office.

The company is planning a reorganisation of its capital structure so as to reflect more appropriately the interests of shareholders in its industrial and financial assets, without limiting its flexibility with regard to capital investment. It is hoped to make a detailed announcement early next month.

Statement Page 26

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims: Associated Television, Baker Perkins, British Tar Products, Burnett and Hallamshire, Caird (Dundee), Cattle's Holdings, B. Fertleman, Graham Wood Steel, Great Universal Stores, James Latham, J. Lyons, Mitchell Somers, Normand Electrical, Pegler-Hattersley, Routledge and Kegan Paul, Shaw Carpets, Sterling Industries, United Gas Industries.

Finals: Castlefield (Klang), Rubber Estates, J. A. Devenish, Liner Concrete Machinery, Lloyds and Scottish, Marley, Northern Midland Construction, Ransome Hoffmann Pollard, Redfearn National Glass, Southvaal, Trafalgar House Investments, Vaal Reefs Exploration and Mining, Western Deep Levels, Wolverhampton and Dudley Breweries.

FUTURE DATES

Interims—	
Doranakande Rubber Estates	Dec. 23
Ewer (George)	Dec. 15
Monk (A.)	Dec. 16
United British Securities	Dec. 14
Vinten	†Dec. 13
Wilkinson Match	Dec. 17
Finals—	
Crystalate	Dec. 10
Deanson	Dec. 16
Dubilier	Dec. 13
Guinness (Arthur)	Dec. 14
Lee (Arthur)	Dec. 14
Land and House Property	Dec. 21
Osborn (Samuel)	Dec. 13
Staveley Industries	Dec. 13
Westland Aircraft	Dec. 15
Whitehouse (George) (Engng.)	Dec. 13

† Amended.

Frederick Cooper loss

Turnover of Frederick Cooper (Holdings) for the 16 months to July 31, 1976, was £8.98m. against £7.6m. for the year ended March 31, 1975, but the company incurred a pre-tax loss of £249,427, compared with a profit of £269,156.

Stated loss per 10p share was 2.62p against earnings of 2.51p, and the final dividend is 0.2p net for a total of 0.4p against 1.06p.

There was a tax credit for the 16 months of £132,743 compared with a charge of £125,722, leaving the net loss at £116,684 against a profit of £143,434.

Exceptional items taken into account in arriving at the loss include bad debts totalling £90,112, trading loss of £163,959 arising from discontinued operations and profit of £35,170 on disposal of plant and equipment of discontinued operations.

The company operates as processors of cold rolled steel strip and formed sections.

● comment

Frederick Cooper has been engaged in an intensive slimming operation recently, hence the reference to discontinued activities and the sale of Commercial Bearings to Metalrax in June. However, any benefits from these have yet to be seen in the group's pre-tax figures, with the returns for the last 16 months' period revealing a continuation into the red in the last ten months. The current year should see some loss elimination from these and they must also have made some inroads into group borrowings. However, gearing must still be high—at the end of 1974-75 borrowings were 152 per cent. on net worth—and a full recovery seems a rather long haul, a point which is reflected by the market capitalisation of only £400,000 at 7p.

BIRMINGHAM MINT

Pre-tax profit of Birmingham Mint for the half year to September 30, 1976, was £226,000 and not £266,000 as stated yesterday.

Judge Intl. in better position

IN REAL terms Judge International has cut its stocks by about £1m. or 25 per cent. during the year ended June 26, 1976. Mr. Lloyd Ressler, chairman says that although the reduction was necessary and has put the group in a healthier position for the future, it had an adverse impact on the results as it meant cutting further the already depressed production levels, resulting in a substantial under-recovery of factory overheads.

Although stocks have been reduced the net assets of the group are still £3.5m. (£4.2m.)—equal to 53.2p (63.2p) per share—and this does not take account of the current values of the Canadian and U.K. properties which are estimated to be £1m. above book values.

In 1975-76 there was a turnround from a profit of £0.51m. to a loss of £0.95m. The chairman says that the group has continued to run at a loss in the first few months of the current year but these losses are now substantially reduced with a recently improved sales performance.

He finds it impossible to predict the current year but hopes that the corner has been turned and that the group will be moving into profits in the second half of the year.

Looking at 1975-76 the chairman points out that although turnover rose from £7.92m. to £9.23m. trading conditions remained poor in all subsidiaries. There had been a sharp increase in U.K. houseware sales in the first few months of 1976 giving rise to the Board's expectation of an improved second half. Based on the historical seasonal pattern the group anticipated that demand would remain high in the June quarter, but in common with housewares trade generally the group suffered a severe downturn in sales in the last quarter.

There was a net increase in bank loans and overdrafts of £1.72m. (£0.3m. decrease)—at June 26 the figure was £3.55m. (£1.84m.). Stocks appeared at £4.09m. (£4.39m.).

Phoenix Assurance slows in third quarter

After nine months pre-tax profits Phoenix Assurance Company w a £4.39m. advance at £16.16m the six month stage the expan n was one of £4.96m. at £12.18m n the nine months investment ome rose from £18.76m. to 0.04m., underwriting loss on and accident, etc., was up m £5.45m. to £6.23m. and long m profits totalled £1.28m. inst £1.09m. Expenses not rged to other accounts were 0m. (£0.62m.).

ax takes £8.93m. (£3.93m.) and profit is £7.72m. (£6.28m.). arnings per 25p share are at 13.17p (12.13p).

et written premiums for fire, dent, marine and aviation £242.4m. (£191.9m.).

ew sums assured were £809m. 9m.). New annuities per um £7.9m. (£5.0m.); new ual premiums £7.9m. (£6.0m.); single premiums £1.8m 3m.).

comment

deterioration in Phoenix urance's underwriting figures, a loss in the US of £4.8m., ld have been anticipated by market as Continental had dy indicated poorer figures, still the shares lost 4p to on the results. Outside the UK underwriting moved d from a profit to a loss een the first half and the months' but that is a ction of exceptional claims provisions against subsidence age during the summer and not constitute any particular d. So though the profits may slow expectations, the fourth ter could look much better, estimates are pitched around areas of £25m. pre-tax against £18.2, after a nine months' rise of £4.4m. The prospective maximum yield of 8.4 per cent. is marginally below the sector, and the shares are unlikely to do any beter than move in line with the rest.

Statement Page 30

Cornercroft replies

Mr. Jim Hartwell, chairman of Cornercroft, has written to shareholders about a "misleading and inaccurate" letter sent to them by Mr. Denzil How, who is calling for Mr. Hartwell's removal from the Board.

Mr. Hartwell writes that although pre-tax profits for the year ended September 30 were down from £290,000 to about £265,000, order books are currently some 12 per cent. higher and the Board intends to increase the dividend by the maximum amount with a 3.08p net final payment.

Mr. How has proposed that he and two colleagues be appointed to the Board of Cornercroft. Mr. Hartwell says that Mr. How does not have the relevant experience.

PROVIDENT LIFE LIFTS BONUS

The Provident Life Association of London has announced its bonus rates for 1976, as usual the first life company to do so.

The reversionary bonus rate on the compound bonus series is lifted to £4.25 per cent. of the sum assured and existing bonuses from £4.00 per cent. in 1975. On the simple bonus series, the rate is increased to £4.65 per cent. of the sum assured from £4.40 per cent., but the terminal bonus rate payable on maturity or death claims in 1977 is kept unchanged at 15 per cent. of bonus additions.

The rate on the pensions business fund is fixed at £3.50 per cent. against £3.25 per cent. in 1975.

To-day's Company Meetings

Hensher (Furniture Trades), Great Eastern Hotel, E.C., 12. Hunt and Moscrop (Middleton), Middleton, Manchester, 12. Lawrence (Walter), Savoy Hotel, W.C., 12. London Scottish Finance, Manchester, 12. Lyndale Engineering, Edgbaston, 12. Menteith Investment Trust, 2, St. Mary Axe, E.C., 10.15. Smart (J.) (Contractors), Edinburgh, 12. Smiths Industries, Cricklewood, N.W., 12. Westward Television, Plymouth, 2.30.

RECENT ISSUES

EQUITIES

Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or –	Div. Amount	Times covered	Gross Yield	P/E Ratio
F.P.	—	£21⅞	£23⅛	Bamark $US1	£29	–⅛	Q$1.57	—	2.9	—
F.P.	—	30⅞	29⅛	Utd. Technologies US$5	£30⅞	+⅜	Q$1.20	—	2.4	—
F.P.	7/1	197	183	Willis Faber 25p	195	+10	b7.0	2.4	5.5	8.8

FIXED INTEREST STOCKS

Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or –
£10	—	12½	11⅛	Essex Water 9% Red. Pref. 1982	12⅛	......
F.P.	—	$99	$99	Gotaverken AB 9% Guar. Notes 1982	$99	......
F.P.	—	$98⅛	$98⅛	Gotaverken AB 8½% Guar. Bds. 1985	$98⅛	......
—	—	$98½	$98½	I.U. O'seas Finance 9% Guar. Bds 1985	$98½	......
F.P.	—	$10	$98⅛	Kansallis Aktie 9% Guar. Notes 1985	$98⅛	......
F.P.	—	KD	KD	Korea Development Bk 8⅞% Guar. Bonds 1979	$8½KD	......
F.P.	—	$100	$95	Midland Int. Fin. 9⅝% Guar. Bds 1988	$95½	......
F.P.	1/12	71	70	Newman Inds. 10% Cum. Pref.	71	......
F.P.	—	$c99	$c99	Nova Scotia (Prov. of) 9% Db. 1983	$c99	......
F.P.	—	$100	$99	Polysar 8¾% Deb. Series 'D' 1988	$99	......
F.P.	—	$99⅛	$98	Sth. of Scotland Elec. 8½% Guar. Notes 1981	$99	......
F.P.	—	$99⅛	$99	Sodra Skogsagarna 9¼% Guar. Bds. 1986	$99	......
F.P.	7/1	96	94⅛	Tendring Hundred Waterworks Red. Pf. 1981	96	......
—	—	$96½	$96½	Urquijo Intl. Guar Float Rates Notes '81	$96½	......
F.P.	7/1	71	71	Willis Faber 7% Cum. Pref.	71	......

"RIGHTS" OFFERS

Amount Paid Up	Latest Renunc. Date		1976 High	1976 Low	Stock	Closing Price pence	+ or –
Nil	10/12	28/1	17	4	Assoc. Engineering	17pm	+1½
£A2		3/12	560	375	Broken Hill Props.	440	+25
Nil	20/12	20.1	20	8	Chloride Group	20	+2½
F.P.	6/12	7/1	15	11½	Cray Electronic	15	......
F.P.	22/11	11/12	32	26	Fairbairn Lawson	31	......
F.P.	1/11	17/12	144	116	General Accident	144	+1
F.P.	29/10	10/12	134	101	Howden (Alexander)	133	–1
F.P.	3/12	17/12	210	189	National Bank of Australasia	210	+10
F.P.	15/6		197	128	Western Mining	142	+4

Renunciation date usually last day for dealing free of stamp duty. a Placing to public. b Figures based on prospectus estimate. d Dividend rate paid or able on part capital, cover based on dividend on full capital. p Pence s otherwise indicated. u Forecast dividend; cover based on previous year's ings. n Figures based on prospectus or other official estimate for 1976. q Figures assumed. † Cover allows for conversion of shares not now ranking dividends or ranking only for restricted dividends. Issued by tender. ed to holders of Ordinary shares as a "rights." S.Afr. cents. Rights of capitalisation. Tender allotment price. Reintroduced. Issued in with reorganisation, merger or take-over. Introduction. Issued to Preference holders. † Allotment letters (or fully-paid). † Provisional or paid allotment letters. With warrants. After suspension. KD Kuwait Dinar.

New proposals from Sime Darby

BY MARGARET REID

THE BOARD of Sime Darby Holdings has put forward new proposals in the hope of resolving the dispute which has blown up over the composition of the Board with the Malaysian State owned Pernas, a considerable shareholder.

The revised plan, which envisages an increase in the size of the Board from 12 to 15, has not been agreed with Pernas and its advisers, Rothputra Nominees. The scheme, which will be put to shareholders for a poll vote postponed from to-morrow until December 30, would involve the *placing on the Board of the four* British directors whose re-election has been opposed by Rothputra and also the three leading Asian personalities whose election has been proposed by Rothputra. In addition, the Board proposes to select and invite for appointment as a non-executive director one more person of international standing and repute to fill the 15th place on the Board.

As foreshadowed in Monday's Financial Times, Mr. Jim Bywater, Sime's chairman, said he was willing to resign the chairmanship if that would help a compromise to be accepted.

Should the present proposals be approved, the Board says, the result would be a majority of non-executive directors on the Board, fully representing interests within the ASEAN region, while key executives responsible for the day-to-day conduct of the company's affairs would also be on the Board.

Publication of the new proposals follows abortive negotiations between the two sides in which Sime's advisers, Kleinwort Benson, put forward several proposals not acceptable to Pernas.

Before the revised plan was announced, it became known that the Overseas Chinese Banking Corporation of Singapore and its associates would not participate in the poll which had been planned for to-morrow.

F. W. Evans rise—scrip proposed

After a rise at halfway from £77,000 to £82,000, pre-tax profits of plastic mouldings manufacturers Frederick W. Evans for the year ended September 30, 1976, advanced from £114,862 to £190,984. The directors state that the first two trading months of the current year have started very well and in November they achieved a record output.

The final dividend of 0.724p net per 10p share lifts the total from 1.204p to 1.324p.

A two for five scrip issue is proposed.

Turnover for the year was up from £1.01m. to £1.21m., and tax took £106,326 (£55,801).

Cope Allman sees £3.7m. midway

GROUP PRE-TAX profit of Cope Allman International for the half year to December 31 should be around £3.7m, compared with not less than £3.5m. forecast in the annual report, chairman Mr. Louis Manson told the annual meeting yesterday.

All divisions (packaging, engineering, fashion and leisure) had performed better to date than in the corresponding period last year. The improvement was particularly significant in engineering and packaging.

In view of the emergency Budget expected next week, Mr. Manson was unwilling to predict the results for the second half but stated that, subject to any significant changes affecting the company's activities, it was anticipated that the present level of profitability would continue throughout the financial year.

First half results should be announced in March when a forecast for the full year would be made.

Mr. Manson felt confident that the group's capital investment programme, new product developments and export growth would ensure its steadily increasing profitability.

Hall & Earl confirms forecast

REPORTING pre-tax profits of £227,286 for the half-year to September 30, 1976, compared with £265,262, the directors of fabric and garment manufacturers Hall and Earl confirm their forecast of full-year profits not less than last year's £621,000.

First half turnover rose from £3.88m. to £5.33m. Profit attributable was £107,286 against £99,292 after tax of £118,000 (£138,000), extraordinary items nil (£27,200) and minorities of £2,000 (£770). Stated earnings fell from 1.06p to 0.9p per 5p share.

BIDS AND DEALS

More Govt. aid for Cambridge Instrmnt.

National Enterprise Board is to provide up to £3m. of finance for Cambridge Instrument Company, the scientific instrument concern formed in October, 1975 in a merger backed by £4½m. of Government money, between Metals Research and SMI, an offshoot of George Kent.

CIC's accounts for the 15 months ending June 30, 1976 show a trading loss of £1.9m.—in the nine months since the merger the new group has lost about £0.6m. —and borrowings of £7.3m. (breaching its limits on £2.2m. of loans with the Government) which have since increased to over £9m.

In a letter to shareholders Dr. Michael Cole, the chairman of CIC, explains that there was a significant sales shortfall in the scientific instrument division, in particular for image analysers and electron microscopes. In addition there were production difficulties with certain products and shipments of the new S180 electron microscope were delayed because of technical problems.

Dr. Cole warns that a further loss is likely in the current year because a new middle priced microscope will not be available until the New Year.

Delayed receipt of the proceeds from the sale of CIC's Chesterton Road, *Cambridge*, property have aggravated the liquidity position, which the expected increase in turnover this year will strain further.

NEB, which recently put £650,000 into Sinclair Radionics, is to subscribe £500,000 in new voting shares and £500,000 in restricted voting shares, convertible to Ordinary shares only if Dr. Cole and Mr. David Cole, managing director, cease to be directors or sell more than a quarter of their shareholding.

In addition to this £1m. of equity, which raises NEB's stake from 28.2 per cent. to 57.1 per cent. of the enlarged capital—but only 46.3 per cent. of the voting, NEB is to provide a £500,000 unsecured subordinated loan for a five years and provide a loan facility over two years for up to £1.5m. in the form of an unsecured subordinated loan.

DUNFORD AND ELLIOTT

Mr. Frank Welsh, chairman of Dunford and Elliott has written to shareholders informing them that Johnson and Firth Brown has obtained a great deal of confidential information about the company. While it is not practicable or possible to give shareholders all of this information, which is very detailed and could be of advantage to competitors, he will write again as soon as possible to disclose as much as he can.

He will also give the reasons for rejecting JFB's offer as soon as the Board has ad an opportunity of considering the offer document in detail with its advisers.

The Board is "fully confident" that, when shareholders receive this information and particularly the Board's forecasts for the current year, they will consider that the offer is "opportunistic," wholly inadequate and in no way begins to reflect the true value of reflect the true value of shareholdings. Meantime, shareholders are strongly advised to take no action in connection with their holdings.

Worry over Golden Hope minority

By Margaret Reid

Concern has been expressed to the authorities in Malaysia about impediments which could arise to the carrying through of the *planned* three-way merger of Golden Hope Plantations and two other companies in the Harrisons and Crosfield group, because of an increasing minority holding in Golden Hope.

The merger plan for what is known as the three sisters trio, to form the largest plantation company in Malaysia—with 10 per cent. participation by a Malaysian State concern, Bank Pertanian Malaysia—was announced early last month after full approval from the Malaysian authorities. It had been framed with a view to admitting a Malaysian shareholding through Bank Pertanian Malaysia, in line with the *country's New Economic Policy. Details* of the necessary scheme of arrangement are expected to be disclosed shortly.

However, in the intervening weeks, a stake of 21 per cent. in Golden Hope has been built up by the South East Asian concern Genting Highlands Hotel Berhad and its associates.

Since the scheme to effect the merger needs 75 per cent. backing from the Golden Hope shares voted, uncertainties are arising as to whether the scheme can go through, should Genting oppose the present terms.

These uncertainties are particularly marked because holdings in *Golden Hope by the other two of* the three sisters—London Asiatic Rubber and Produce, and Pataling Rubber Estates—are not expected to vote.

It is believed that quarters close to Golden Hope and its prospective partners, have represented to the Malaysian authorities that it *would be unfortunate if the* scheme ran into problems.

HUTCHISON

Hutchison International has gained control of more than 50 per cent. of the capital of A. S. Watson and Company which was *previously a Hutchison associate;* in the company's 1975 annual report, Hutchison's shareholding was shown as 38 per cent.

Armitage Shan[ks] profit slip

DESPITE A rise in turnover from £14.44m. to £16.52m., pre-tax profits of Armitage Shanks Group slipped from £1m. to £925,000 for the half year to October 2, 1976. Profits for the 53 weeks to April 3 1976 were £2.7m.

The interim dividend is held at 1.95p net per 25p share. Last year's final was 2.25p.

	26 wks. 1976 £000	1975 £000	53 wks. 1975-76 £000
Turnover	16,516	14,448	31,038
Trading profit	1,1[illegible]	1,27[illegible]	5,23[illegible]
Loan stock int.	[illegible]	33	66
Debenture interest	[illegible]	[illegible]	[illegible]
Bank interest	[illegible]	[illegible]	4[illegible]
Profit before tax	925	1,000	2,702
Tax	483	349	1,449
Net profit	442	[illegible]	1,25[illegible]
Minorities*	42	14	66
Extra-ord. credits	66	5	1[illegible]
Making	[illegible]	446	1,1[illegible]
Dividend	4[illegible]	3[illegible]	7[illegible]

*Including share of exchange adjustment profits £15,000 (loss £22,000 and loss £15,000).

The directors say that during the second quarter trading conditions in the U.K. deteriorated and this was the main reason why results were lower than anticipated. Profits were also adversely affected by industrial unrest, principally resulting from adherence *to Government guidelines* in relation to pay policies, they add and adjustments from the devaluation of the Australian dollar reduced profits before tax by £124,000.

Continuing increases in costs, especially in fuels, put additional strains on manufacturing margins of the ceramic companies in particular.

The group has kept as far as possible to its policy of maintaining high levels of production at all plants in anticipation of an upturn in demand. However, in the absence of such an upturn and with increasing levels of borrowing and high interest rates *it is becoming necessary to review* this policy, members are told.

The group makes plumbing fixtures and fittings.

● comment

Adopting a conservative attitude towards the Australian dollar devaluation, Armitage Shanks has reduced its *interim* profits by £134,000, to turn a pre-tax rise of 5 per cent. into a reduction of 7½ per cent. However, if the first half has held up fairly well, the second half must have a cloud hanging over it. Something like 30 to 40 per cent. of turnover is aimed at the new housing market, while another 30 is probably aimed at the [...]ment market and public work; and all of those a[re] vulnerable in the curren[t] Overseas—about a third over—the South Africa[n] is not easy, while Au[stralia] not particularly promis[ing] a reasonable first half, is little cushion outside, and the shares are [...] find much comfort afte[r] new lows with a 5½p dro[p] yesterday. At this level is 19.2 per cent. on a [...] dividend, and that [...] enough as long as [...] profits do not fall belo[w]

SUITS Boa[rd] consider Sir Hugh's futu[re]

By Margaret Reid

Crucial meetings [...]tors of Scottish [...] Investments are to [...] day and to-morrow [...] the future of the cha[irman] Hugh Fraser, and ano[...]tor, stockbroker Mr. Na[...]mayne, both criticised [...]cent Stock Exchange r[...]

A committee of instit[utional in]vestors has asked the[...] what reasons they wou[ld] *for the continuation* [...] Sir Hugh and Mr. Red[...]

Mr. Alec MacKenzie, [...]ing accountant who [...] Board in September a[...] chairman of Scottish [...] Fund and Life Assuran[ce] said last night: "I th[ink] will be meetings over [...] two days. We have [...] with the institutions' [...]

Other matters for th[e...] are likely to be the ap[...] of a new managing [...] post recently given [...] Hugh—and possibly [...] *buying some of the sh[ares]* Hugh, who with other[s] of the Fraser family h[old ...] cent. of the capital, h[...] stake will be sold if [...] as chairman.

He has also been [...] stating that two [...] meeting him this wee[k ...]cussions about buying [...] and his family's shares.

مكبر من الاصل

هكذا من الاصل

Earth tremor in the OFS

BY KENNETH MARSTON, MINING EDITOR

initial indications of wide- damage in and around the Welkom, at the centre of Africa's Orange Free State d, where a severe earth occurred at 10.38 yester- orning, subsequentl exami- of the area has revealed mage was fairly slight and ess than might have been d after a shock measuring the Richter scale.

Johannesburg correspon- ports that on the mines, nen trapped at President were later freed, while at lkom mine one miner died nother was injured as a of a fall of hanging wall

worst damage occurred at estern Holdings property, confined to surface build- nd installations. Mining sources in Johannesburg that the 'quake resulted major structural move- along the Dagbreek fault vicinity of these three which has been identified past as a zone of weak-

mines in the area appear e been unaffected, apart ie possibility of damage to g haulages; but so far only y has issued a statement ng that no damage has place.

spokesman for Anglo an Corporation, which s six of the 10 mines on dfield, said that "hopefully vill be no effect on produc- hough the possibility of a serious tremor could not ed out.

rs later said that the was barely noticed under- , despite its impact on , where a five-storey block collapsed in Welkom town, large number of windows hattered.

centre of the town was ed as a precautionary nd to enable clearing away ple to begin. The morning working shifts were com- as usual on all the mines, ne afternoon shifts went round despite the fact that rthquake had occurred some previously.

e prices of the three nies most affected, Welkom, ent Brand and Western gs, fell marginally on the but recovered some of the round in later dealings. In n, Welkom closed 7p down 8p after 170p; President fell 13p to 962p after 925p; Western Holdings were at £14¼ after having been

operational difficulties, causing the company to lose a lot of money." Local reports suggest that there was also a "lack of planning on the site."

In 1974 and 1975, the mine exported 127 tons of galena, the lead ore, and 330 kg of silver to Romania. In the middle of this year 300 tons of ore were being produced daily.

Winkelhaak is hopeful

IN SPITE of the lower level of gold prices compared with the peak at the end of 1974, Union Corporation remains confident about the future of its star gold mine, Winkelhaak. In his annual report, the chairman of Winkelhaak, Mr. L. W. P. van den Bosch, says the property "still has a long life ahead."

He bases his estimate on the fact that although the reserve tonnage has fallen as a result of the higher pay limit, "there are still large areas within the lease area under option yet to be developed."

Mr. van den Bosch warns, however, that if the gold price fluctuates beneath $130 an ounce, the mine will have difficulty in achieving present profit margins. Recently, in fact, the international bullion market has been on a firmer trend and the price closed yesterday at $136¼ an ounce. Winkelhaak's net profits in the year to September 30 were R11.66m.

Elsewhere in the Union Corporation group, St. Helena has also been adversely affected by the lower gold price in terms of reserve tonnages. The chairman, Mr. E. Pavitt, states that the problem has been aggravated because "St. Helena has been in production for more than 25 years and as much of the central richer areas have been worked out, operations are moving into areas of lower grade."

St. Helena is planning to increase its development rate, subject to the availability of labour. Meanwhile, Kinross, another Union Corporation gold producer, is expecting higher values once its No. 2 shaft is commissioned in the first half of next year.

But such hopes are not shared at Bracken and Leslie, where narrowing margins of profit have led to calculations of very limited life expectancy. Bracken now expects to stay in production for about three years and Leslie for about two or three years.

Yesterday Winkelhaak were 470p, St. Helena £12¾, Kinross 255p, Bracken 108p and Leslie 39p.

Ayer Hitam's rich patch

OUTSTANDING feature of the mber tin concentrate produc- figures issued by the Malay- operating mines in the oh group is the output of 547 s achieved by Ayer Hitam. mpares with only 378 tonnes previous month and brings tal for the past five months company's current financial to 2,603 tonnes compared 982 tonnes a year ago and 75-76 total of 4,280 tonnes.

It contrasts strongly with the ny's forecast last month he current year's total pro- n would be lower than that 5-76. On second thoughts, Hitam now says that its pre- production forecast will be ed by about 25 per cent., oints out that the No. 2 will soon pass out of the ionally rich ground that it en working.

group's latest production are compared in the ng table.

	Nov tonnes	Oct. tonnes	Sept. tonnes
ltam	547	378	435
Besl	130	129	121
Way	69	81	29
	181	214	188

Hitam's latest forecast as the tin market turned downwards yesterday in s trading against a back- of concern about the pro- of the International Tin l meeting taking place in . Standard cash tin lost £69 41 after selling from one set off a wave of liquida-

S. African gold sales campaign

SOUTH AFRICA'S International Gold Corporation, the marketing arm of the Chamber of Mines, is to spend R14m. (£8.4m.) on promoting the uses of gold next year, mainly in the jewellery field. The sum compares with R10m. in the current year, which included the exceptional pre-launch publicity for the krugerrand campaign in the U.S.

Mr. Robin Plumbridge of Consolidated Gold Fields, the present Chamber president, said at a presentation to Dr. Diederichs, the State President of South Africa, for his role in promoting gold, that the Chamber planned to extend Intergold's activities to the Middle and Far East and to South America if this proved "politically possible and economically viable."

However, the main thrust of next year's expenditure will be in establishment of a jewellery technical advisory service in Geneva which will work closely with the large manufacturing jewellery industry in Europe. A number of joint promotions are planned and according to Mr. Plumbridge the jewellers are prepared to share expenditure with the Chamber for this purpose.

The krugerrand figures for the 11 months to end-November indicate that sales so far this year of the one-ounce coins amounted to 2.8m., or about 13 per cent. of South African gold output in the same period. But November sales, at 453,000 coins, were about twice the average monthly level over the earlier part of the year.

The Chamber does not disclose sales by country, but indications are that the U.S. has started to absorb about a quarter of a million krugers a month—an exercise which producers must hope will not be self-defeating in terms of possible future U.S. Treasury gold auctions.

KENYAN MINE CUTS DOWN

of the few mines in Kenya, ad and silver operation at goni, has closed down. Run nya Mining Industries, a rship between the Kenyan rial and Development Cor- n and Geomin of Romania ne started in 1973.

ICDC executive director, atu Wamae, attributed the closure to "financial and

Stag Line expects some improvement

all deep sea time charter eing in dollars, Mr. N. J. on, chairman of Stag Line, there will be an improved for the current year. He hat the company has the al resources to weather the t slump.

tax profit for the year October 31, 1976, fell from to £0.22m., and dividends d 10.36p (9.42p) net per £1 (as reported on Nov- 20). Mr. Robinson says that ll was mainly due to one requiring additional repairs o entering a three year time r, and another being d by emergency repairs as.

Robinson makes a dis- ting report on the com- venture into coasters. The ng market collapsed towards d of 1975, he says, and the cent. owned Kielder Ship- s now in voluntary liquida- Provisions for estimated verable debts have been in the accounts. Silloth Ship- 33.33 per cent. owned, was adly hit, and further pro- s have been made against investment in this company. e the end of the year, how- there has been a consider- improvement in coasting rates, Mr. Robinson says, a sustained improvement would re-establish the value of the investment.

As reported on June 26, Stag Line has ordered a bulk carrier from Swan Hunter Shipbuilders at a fixed price of £6.8m. A government loan of £4.76m. has been arranged, repayable over seven years.

Negotiations are in progress for the sale of Gloxinia.

Ropner Holdings holds 29.69 per cent. of Stag Line. Meeting, North Shields, December 30 at 10.30 a.m.

M & G Second Dual Trust

Revenue after tax of M and G Second Dual Trust increased from £210,168 to £234,985 for the six months to November 30, 1976, and the interim dividend is lifted from 2.1p to 2.3p net per 10p share.

The directors are forecasting a final of at least 1.9p to make a total of 4.2p. Last year's total was 3.88p paid on net revenue of £383,856.

The asset value per capital share is given as 8.6p.

Mr. N. C. Talbot Rice has resigned from and Mr. J. A. Cornes has been appointed to the Board.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

French nuclear power deal

BY DAVID CURRY

PARIS, Dec. 8.

CREUSOT-LOIRE and Alsthom-Atlantique, the two most important groups in the French power engineering field, have reached agreement to co-operate across the range of their activities in the energy sector. The accord marks the final emergence of Creusot-Loire as the giant of the French nuclear industry, as well as expanding its interests notably in the hydraulic field.

The agreement, which both sides admitted to-day was difficult to put together, covers steam turbines destined for conventional and nuclear stations, nuclear reactors, and hydraulic turbines and power stations.

The most important changes will take place in the third of these fields through the creation of two joint subsidiaries, one handling research, development and manufacture of hydraulic turbines and the other to take charge of exports. Alsthom's main contribution to the venture will be the major part of the assets of its Grenoble subsidiary Neyrpic.

Following the series of rationalisations in the French heavy electrical engineering sector, affecting particularly the rise of Alsthom as a leading industrial conglomerate, both Creusot-Loire and Alsthom needed to sort out their activities. This was specially the case after the take-over by Alsthom of the turbo-alternator division of Compagnie Electro-Mecanique in which Creusot-Loire had an important stake. The solution here has been to end Creusot-Loire's link with CEM, leaving Alsthom to take the lead in the development of steam turbines, but guaranteeing to it the use of Creusot resources in this field.

The nuclear sector is to see a more complex reorganisation centred around the development of fast breeder technology. In April, Novatome was created to develop the next generation of nuclear power stations for France after the recent decision to opt for Creusot-Loire's Westinghouse pressurised water reactor technology for the immediate future. Alsthom should have taken 30 per cent. of Novatome but, failing a decision, Creusot-Loire was left with 60 per cent. and the Atomic Energy Commission with 40 per cent.

Now Alsthom is to take 15 per cent. in Novatome and a further 15 per cent. will be taken by the new hydraulic engineering company which is to be majority-owned by Creusot. Alsthom is ceding to Novatome its 70 per cent. stake in the nuclear engineering company GAAA. Alsthom is also to continue its development of small medium-powered light water reactors.

The nuclear re-organisation begged the question about hydraulics, since the vital nuclear block—the central core of the station—is manufactured by the Alsthom subsidiary Neyrpic which is also heavily involved in the hydraulic power station field; and the French state power utility, Electricite de France, has indicated that it wanted Creusot-Loire to have control over manufacture of the nuclear bloc.

The solution here is to reconstitute Neyrpic from scratch with Creusot-Loire as 65 per cent. majority holder. Creusot-Loire itself is putting into the new company its own subsidiary BVS while the stakes held by Alsthom, Creusot and Jumont Schneider in the existing hydraulics research company Neyrpic-Creusot-Loire will also be attributed to the new company.

Finally an export subsidiary for hydraulics technology is being created with the shareholdings reversed giving Alsthom 65 per cent.

Both Alsthom and Creusot-Loire are parts of very large industrial configurations. Creusot-Loire is controlled by the Empain-Schneider steel and nuclear empire. The French Government chose its pressurised water reactor technology—licensed from Westinghouse—for its nuclear power station programe. Two months ago, arrangements were completed to reduce the 45 per cent. stake in Framatome—the Creusot-Loire nuclear contracting concern—held by Westinghouse to 15 per cent. in the interests of "Frenchifying" the nuclear engineering sector. Novatome was put together to develop fast-breeder technology for the succeeding generation of power stations.

Alsthom has been involved in a series of mergers over the past year which have seen it take on board the big shipbuilding concern Chantiers de l'Atlantique and then the turbo-alternator activities of CEM. As a result of the shipbuilding take-over the electrical engineering group Compagnie Generale d'Electricite, the defeated candidate for the current programme of nuclear stations with its boiling water technology developed by General Electric of the U.S., saw its stake reduced from more than 50 to its current 31 per cent. in Alsthom.

The Government gave the go-ahead in April for the construction of a 1,200 Megawatt prototype fast-breeder reactor—the Super-Phenix—to be financed jointly by France (51 per cent.) Italy and Germany. Its provisional target is to instal some 10,000 Megawatts of fast breeder capacity by 1990.

The Phenix reactor, in operation since 1973 at a Southern French research station, broke down two months ago and is still out of action following a leak in one of its six heat-exchangers.

Toyo Kogyo profit hope

TOKYO, Dec. 8.

TOYO KOGYO expects to report a profit before tax and special items of over Yen 3bn. for the fiscal year ended October 31, a marked recovery from a Yen 17.32bn. deficit the preceding fiscal year, a company spokesman has stated.

Gross sales are believed to have reached Yen 590bn., an increase of 18 per cent. over the Yen 496.48bn. of the previous fiscal year.

The company sold 721,000 motor vehicles, an 11.8 per cent. increase, with an 18 per cent. decline in domestic sales to 274,000 vehicles. This was more than offset by a 42 per cent. increase in export sales to 447,000 vehicles.

The company's motor vehicle exports to the U.S. were still very small during the fiscal year under review because TK has been stopping shipments to the American market to adjust its stock levels there. But exports to West European countries showed a marked 77 per cent. increase to 142,000 vehicles.

The ratio of exports to the company's total vehicle sales increased to 62 per cent. in the 1976 fiscal year, from 49 per cent. the previous year.

The increase in sales was the main factor behind the improvement in Toyo Kogyo's profits position, because higher capacity utilisation substantially lowered the fixed cost per product.

Reuter

EUROBONDS

New Polish loan expected

BY TONY HAWKINS

DETAILS of a new floating rate note issue for Bank Handlowy of Poland with a complicated yield structure are expected to be announced shortly. It is understood that the Polish bank is to borrow at least $30m. with the issue of five-year floating rate notes.

The interest rate will be ¾ per cent. above Libor (London Interbank Offered Rate) with a minimum of 6¾ per cent. for the first two years of the loan's maturity rising to 7 per cent. for the remaining three years. The issue price is understood to be 97 and the lead manager is Amex.

The Korea Development Bank $25m. five-year bonds were priced yesterday at 99¾ on a coupon of 9¾ per cent. Also priced yesterday were two Deutschemark issues. The City of Copenhagen's DM75m. 10-year bond issue with a 7¾ per cent. interest rate was priced at 99½, while the Inter-American Development Bank DM100m. issue over 10 years on a 7 per cent. coupon was also priced at 99½.

In the secondary market, seasoned bonds continued their advance showing gains of as much as three-quarters in some instances, while the newer issues were up to one-quarter better where changed. Dealers noted continued strong client demand allied with professional short covering.

The two-tranche Gotaverken issue was traded for the first time at 99¾-100¼ for the five-year notes (priced earlier this week at a premium at 100¼), which was a very successful debut. The 15-year debentures were less enthusiastically received at 98¾-99¼ compared with a price of par, but the outcome of the entire issue is highly satisfactory.

Also in first-time trading, the Korea Development Bank bonds traded around the 98 level.

There was good turnover inthe Sandoz units, which performed rather disappointingly. The units were priced earlier this week at $3,040, and they started life in the secondary market yesterday at $2,980-$3,000, drifting lower to $2,930-$2,960 — a discount of about 3 per cent.

But dealers pointed out that the value of Sandoz units traded was very small relative to the size of the issue of $121.6m. The lukewarm secondary market response to the issue was partly attributed to the fact that some investors find the issue rather complicated and partly to the yield.

The European Investment Bank announced plans to raise 500 Luxembourg francs with an eight-year bond issue on the Luxe. bourg capital market. The coupon is indicated at 9 per cent. and the lead manager is Banque Generale Du Luxembourg.

Stock Exchange plan

SYDNEY, Dec. 8.

SYDNEY and Melbourne Stock Exchange members approved proposals representing a major step towards establishment of a national share market, Sydney Stock Exchange chairman Brian France said.

Pakhoed capital plans

FRANKFURT, Dec. 8.

PAKHOED HOLDING NV, the Dutch oil transportation and storage firm, will spend practically all of its capital investment budget for 1977 in expansion of its U.S. operations, G. Verhagen, chairman, told security analysts here on Wednesday, reports AP-DJ.

Verhagen noted that capital spending next year, the equivalent of about DM100m., would be well below expansion spending of the last two years of more than Fls.200m. annually.

Pakhoed, which raised $48m. *in the U.S. capital market last month* through an issue of its Bonaire Petroleum Corp. unit and $25m. in the Euromarket at the beginning of the year, doesn't plan any further large public issues in the near future, Verhagen said.

He indicated that Pakhoed had revised its investment plans downward in order to reduce its debt-equity ratio. The company would like to issue new shares to bolster equity, but isn't optimistic about the prospects of a stock issue under current market conditions, Verhagen said.

Rather, he said, Pakhoed will continue its policy of disinvestment, paring off operations below a certain level of profitability.

Verhagen confirmed projections made at the end of the first half that Pakhoed net earnings for the year would be 10 per cent. more than 1975's Fls.10.28 per share or Fls. 39.1m.

GHH pays out the same after profits spurt

BY NICHOLAS COLCHESTER

BONN, Dec. 8.

THE GHH GROUP, the major West German industrial holding company, will pay a maintained dividend of 14 per cent., or DM7 per share, for the business year ending September 30, 1976.

The management announced to-day that the group has returned an after-tax profit of DM92.5m.—a DM30m. increase on the previous year.

Sales of the GHH group climbed by 12.1 per cent. to DM11.073bn. The export quota of the group's subsidiaries rose from 39.4 per cent. to 44.8 per cent. reflecting the management's efforts to achieve full use of capacity through overseas sales. At the end of the business year the order book reached DM11.507bn., an increase of 8.3 per cent.

In contrast to the engineering industry as a whole GHH raised its capital investments markedly in its last business year. Investment in plant and equipment went up from DM275m. to DM376m. while financial investments totalled DM79m. against DM25m. in 1974-75.

The GHH group plans to raise its equity capital to compensate for its growing business. The management will suggest to shareholders that the authorised capital be increased by DM62.2m. of which DM40m. will be issued to shareholders by stages in the course of time.

AEG dividend hope

AEG - TELEFUNKEN, the troubled West German electrical giant, hopes to be in a position to earn a dividend once more during 1977, the chairman and chief executive, Herr Walter Cipa, said in Frankfurt, reports Adrian Dicks from Bonn.

However, he made it clear that as part of a new strategy to regain its financial health, the group would not contemplate any distribution that involved drawing on reserves. For this reason, no dividend would be paid on the 1976 results.

Herr Cipa said that the object of the company's strategy could not in present circumstances be growth. Instead, it would look for ways to make better returns from "the means at hand." Any rate of return lower than 15 per cent. before tax would be regarded as insufficient, the AEG chief said.

He described the 1976 business year as better than 1975, if not yet satisfactory. The main event for AEG has, of course, been its disposal to Siemens a month ago of its 50 per cent. stake in Kraftwerk-Union, West Germany's principal builder of conventional and nuclear power stations.

Following this event, Herr Cipa said, AEG would concentrate on limiting its further expansion in the consumer goods sector where about half its turnover is derived, on building up its presence in the fields of process plant, especially in the energy, communications and transport industries, and on "at least carrying out market studies" in the field of mass-produced articles.

All this would mean, Herr Cipa said, that AEG would be putting consolidation before the expansion of its turnover. Meanwhile, its room for financial manoeuvre was "ample," and "not one mark" of the total available facilities of DM1.8bn. had been drawn down.

Thyssen-Edelstahlwerke

THYSSEN-Edelstahlwerke, the Thyssen group's special steel-making subsidiary, has ended the 1975-76 business year with pre-tax profits more than halved, Guy Hawtin reports from Frankfurt. The performance, says the concern, is not bad considering the poor market conditions.

Most steelmen would probably agree. Indeed, the Thyssen Edelstahlwerke figures provide a graphic illustration of the steel industry's current plight. Special steels have held up rather better than other sectors in the industry.

Turnover in 1975/76 fell 13.6 per cent. from the previous business year's DM2.21bn. to DM1.9bn. (£552.5m.), while pre-tax profits dropped from DM65m. to DM26m. After tax this is a loss of DM1 compared with a 1974/75 net profit of DM23m.

Orders at the end of the 12 months under review (September 30) stood at DM2.08bn., rather better than the 1974/75 year-end position of DM1.96bn. As such there is likely to be no increase in the concern's labour force in the opening months of the current business year.

The concern expects turnover to increase by between 3 per cent. and 5 per cent. in the sector during 1976/77 and that Thyssen-Edelstahl's performance will lie at the upper end of this range. There were warnings of price rises at the beginning of 1977, with plate products showing an average increase of 5 per cent. and profiles going up by an average of 7 per cent.

Weser gives forecast

THE WEST GERMAN shipbuilding concern, Weser, forecast that 1976 turnover would reach about DM920m. (£230m.). This is a full 8.4 per cent. up on last year's record DM848.7m., Guy Hawtin writes from Frankfurt.

Weser is expecting an improvement in profits accompanied by an "excellent" liquidity position. Shipbuilding has done particularly well, while the group's mechanical engineering and ship repair business is forecast to turnover about DM100m. this year.

Predictions on shipbuilding are rather less gloomy than might be expected in view of the current slump in demand. The group stated that gaps in the orders book for 1978 should be filled by the end of this year. However, this year's accounts are expected to show a build-up in reserves to cover future eventualities.

Chemicals slowdown

WEST GERMAN chemical industry production is likely to rise between 6 and 8 per cent. in 1977, considerably less than this year's 15 per cent. or so, the IFO Economic Research Institute stated, Reuters reports from Munich.

Investments next year will probably total around DM6bn. compared with some DM5.6bn. in both 1975 and 1976, the IFO said in an industry study.

It added 37 per cent. of firms asked in its latest survey will be spending money on rationalisation and 34 per cent. on equipment replacement. The rest—29 per cent. compared with 25 per cent. last year—are concentrating on expansion.

The Institute said this year's expected output rise will bring the level some 2 to 3 per cent. above that of 1974, following the 12.3 per cent. drop last year.

The recovery from the 1975 recession this year has mainly been due to the growth in business outside Germany, it added. Exports will also account for an unusually large proportion of next year's growth.

Ahlen's earnings fall shor of forec

By William Dullforce

STOCKHOLM

Ahlen Och Holm, th retail concern which its rival, NK/Turit this year reports co earnings of Kr.32m for the year ending on combined sales o (£1.13bn.).

This compares wit loss that would h shown in 1974-75 h chains then been Turnover represen crease of 18 per cent about 10 per cent. price rises.

Earnings are so lower than the Kr. for 1975-76 in the interim report. considers the encouraging. usually have sub ing losses during th months of the fin This year it was hop even but in the e cast profit of Kr. Ahlen side materialise, while at Kr.8m. for the f was Kr.3m. heavier cipated.

The stricter acco cedure followed by Holm has been app first time to N Kr.49m., of which referred to previo and is listed as a nary item, has bee to cover heavier pr stock obsolescence curred claims. Of th directly affects th figure, so that NK shows a profit instead of a loss, tinued its previous methods.

The consolidated for 1975-76 com Kr.12.8m. The proposes to pay Kr.6 per share, Kr.1 per share, if made for last issue.

Forecast Harriman

By Philip Bowring

HARRIMAN HO small property con is a subsidiary of Realty, Wheelock major property s forecast a modest profits for the y March, 1977. The interim divid unchanged at 2.5 c final is expected t than last year's 4

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December, 1976

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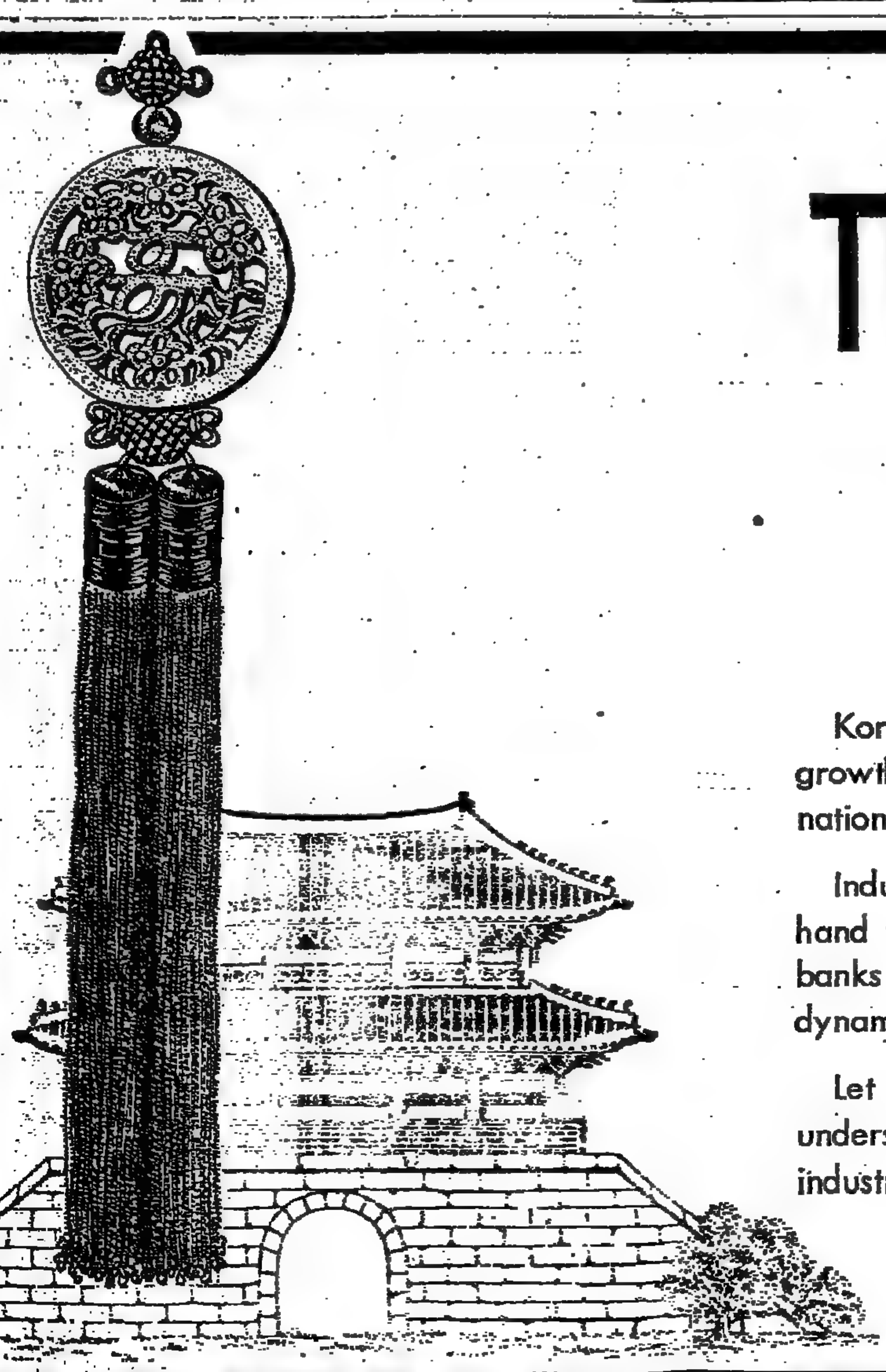

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Overseas loans rush likely in Australia

BY JAMES FORTH SYDNEY, Dec. 8.

HAMMERSLEY Holdings' proposed $U.S.80m. Eurobond issue is likely to prove the start of a rush by Australian companies to borrow overseas. There is a wide differential between interest rates in Australia and overseas, but borrowings are slight because of the high exchange risk. The 17.5 per cent. devaluation of the Australian dollar removed the downside risk and made it much more attractive for Australian companies to seek funds abroad.

The Hamersley issue was not sought as a result of the devaluation. The proceeds are earmarked to help finance a recently announced $A250m. expansion programme, and work on the borrowing has been underway for some time. But, the managing director, Mr. Don Stewart indicated that it might still have been one or two months away if the devaluation had not occurred.

Hamersley is seeking $U.S.40m. in seven-year notes at an indicated interest rate of 8.5 per cent. and $U.S.40m. in 15-year debentures at 9.5 per cent. This is at least 3 per cent. below the rate at which companies could raise funds in Australia.

Merchant bankers report that there has been a marked increase in interest by large Australian companies in tapping the overseas markets since the November 28 devaluation. It is suggested that the extent of inquiry surprised the Australian authorities and was an important factor in the sudden decision on Tuesday to revalue the dollar by 2 percentage points.

● James Miller Holdings, the rope and carpet yarn group, was placed in receivership to-day. The group has been in difficulties for the past two years during which time it ran up trading and extraordinary losses of more than $A8m. Miller's major problem was the downturn in the tuft carpet market following a reduction in tariffs late in 1973, only months after the company had expanded its carpet yarn activities. Miller sharply increased its borrowings around that time and has since been saddled with a high interest bill. At June 30 borrowings stood at $A23.3m. while shareholders' funds were down to $A11.2m.

The Miller receivership is the third major company setback this year. Gollin Holdings was put into provisional liquidation early this year and it appears shareholders at least will receive no return, while electrical group Hecla Rowe was recently placed in receivership.

Mr. Poulton, joint receiver, said to-day the first efforts were being directed to getting an idea of Miller's position and to produce a statement of affairs. At this stage the receivers looked at the company as a going concern. Early this year Miller shares traded at $A1.30. Before receivership announcement to-day they had sunk to 16 cents.

EUROPEAN TRUCK INDUSTRY

Changing the emphasis

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

MOST OF the glamour and virtually all of the outside interest in the commercial vehicle industry is concentrated on heavy trucks. They pre-occupy the legislators, they annoy the environmentalists, and they fascinate drivers and engineers. But the fixation with the juggernaut has led to a quite unwarranted indifference to smaller commercial vehicles.

In at least two cases in the last few years, commercial vehicle manufacturers have shown how misguided the emphasis on big vehicles can be. The first example is Ford U.K. which, until it developed the Transit in the mid-1960s, had only a small European commercial vehicle presence. The Transit, and later the A and D Series vehicles which have extended the range up the weight scale, has established Ford as one of the biggest commercial vehicle producers in the EEC.

The second example is Chrysler in the U.S., which several years ago decided to abandon the heavy truck end of its business to concentrate on smaller vehicles. Since then Chrysler has doubled its truck and van sales.

The news from Germany that Volkswagen and MAN are linking up to develop a new light-weight joint vehicle is an indication that more European manufacturers are beginning to turn more of their attention to this sector of the market. This new truck will be in the six to nine tonne range, overlapping with the Ford A Series, and virtually identical to the Club of Four vehicle (six to 13 tonnes) which recently brought together four European manufacturers—Saviem, DAF, Volvo and Magirus Deutz—in a joint development.

At the same time Mercedes-Benz is known to be developing replacements for its Dusseldorf and Bremen ranges, and Fiat is developing a new light van. Volkswagen itself, of course, brought out the new LT light van — roughly competitive with the Transit — earlier this year.

This sudden surge of effort in this field can be put down partly to the cyclical nature of the industry. One company steals a march on its competitors, and they all rush to catch up, concentrating development work in that area. When that is complete — and this is the case in the European heavy truck field — the attention switches to another area.

The other influence on product development thinking at present, however, is the desire of most manufacturing companies to have as wide a range of vehicles as possible. The idea behind this is to secure some defence against the cyclical swings within the commercial vehicle industry as a whole. Different sectors tend to behave differently — at the moment, for instance, short haul distribution business within towns and cities is suffering much less from the general business depression than long-haul juggernaut work.

The pursuit of wider ranges of vehicles also, of course, implies larger companies. Within the last decade the four largest countries in Europe have all seen the emergence of companies which answer this need, put together by the traditional merger process. In Britain, British Leyland brought together the heavy vehicle interests of British Leyland and the light trucks of BMC; in Germany Mercedes, a heavy truck manufacturer, took over Hanomag-Henscheil, which makes the lighter ranges; from Italy Fiat has masterminded the creation of the panEuropean Iveco concern; and in France the Government-promoted merger of Berliet and Saviem (the Renault subsidiary), has produced a big company spanning the whole spectrum of products.

The Volkswagen LT, launched this year, is the company's first excursion into the light truck range.

The big companies believe that their range of product gives them more marketing flexibility. Many large fleet customers to-day, they say, want to buy their whole range of vehicles from one supplier; and at the same time, the manufacturers believe they can respond more quickly to market conditions by juggling production.

In the past, the single-minded heavy or light vehicle manufacturers have been able to argue that their concentration in one particular sector gives them greater expertise. Nevertheless, as the Club truck project illustrated, many of the heavy vehicle manufacturers would like to have a lighter truck arm. Saviem, at least, has begun to get its Club vehicle out into European markets, and there are signs that DAF is beginning to turn its attention to pushing this vehicle after its recent troubles. Light and medium weight truck producers are, conversely, developing a heavier vehicle range.

Similarly MAN, which is a heavy truck manufacturer, and has established many links with Mercedes on this side, is now apparently intent on developing down the scale, while Volkswagen, which starts from a strong position in light vans, wants to extend up the range.

This deal, now at the letter of intent stage, could be one of the most interesting developments in the European industry this year. For some time it has appeared, in export markets at least, that the two companies wanted to work together for distribution purposes. If the joint vehicle provides a stronger link on that basis, it will mean the emergence of another large force in the European commercial vehicle industry: the two companies combined would have a production base of roughly 200,000 commercial vehicles.

Interim gains seen at Veba

BY GUY HAWTIN FRANKFURT,

VEBA'S fortunes still show a strong improvement on last year's performance. Profits have shown a substantial improvement and, although a number of important sectors are still in the red, losses have been much reduced.

The news comes in Veba's interim report on the first three quarters of 1976 and, while today's statement contains no great surprises, it is welcome confirmation that trends noted at the beginning of the year have continued.

West Germany's largest energy concern, Veba had a difficult trading experience in 1975. Losses were particularly heavy in the oil refining sector and the group's activities in the oil business lost some DM460m. last year.

To-day's interim report shows the group's turnover up 13.3 per cent. from DM18.1bn. in the comparable period of 1975 to DM20.5bn. (£5.13bn.). At the same time earnings increased from DM86m. in the first nine months of last year to DM152m. —equal to the whole of 1975's profits.

The largest improvem[ent] was recorded in the [...] generating and chemi[cal sec]tors, while at the same t[ime there] was a decline in the o[il] losses.

A positive improve[ment in] production and deman[d was re]corded by the grou[p's profit] making operations. But [...] results have improved [in] the latter part of [the period] under review were ins[ufficient to] offset losses accrued [in the] opening months of the [year].

At the same time, [...] in home demand led [to an im]provement in earni[ngs in the] services branch. Ove[rall busi]ness does not appe[ar to have] been so buoyant.

The group's produc[tion activi]ties showed a turno[ver rise] of 13.8 per cent.— [from] DM10.5bn. to [...] (£2.98bn). In the pow[er-genera]ting field turnover ros[e ... per] cent., while in the [...] and chemicals turnove[r rose] by 13.4 per cent. Gla[ss ...] put on 7.2 per cent., bu[t ...] production branches [...] decline of 17.1 per cen[t].

SELECTED EURODOLLAR BOND P[RICES]

MID-DAY INDICATIONS

STRAIGHT	Bid	Offer
Alcan 9½pc 1989	104½	105½
Australia 9½pc 1991	99½	100½
Bowater 9½pc 1990	101	101½
Canadian N. Rwy. 8½pc '86	100½	101½
Credit National 8½pc 1986	97½	98
Denmark 9½pc 1984	99½	90
ECS 9½pc 1986	102½	103½
EIB 9½pc 1986	100½	101½
Erap 9½pc 1985	102½	103½
Esso 8pc 1986 Nov.	103½	104½
Eurofima 9½pc 1982	102½	103
Grangex 9½pc 1983	102	102½
ISE Canada 9½pc 1986	104½	105½
Massey Ferguson 9½pc '91	104½	105½
Michelin 9½pc 1989	101½	102
Midland Int. Fin. 8½pc 1986	97½	[illegible]
Modo 9pc 1986	97½	98½
Nat. Westminster 9pc 1986	99½	100½
Newfoundland 9½pc 1989	101½	102
Norpipe 8½pc 1986	102½	103
Norsk Hydro 9pc 1991	101½	102½
Oslo 9pc 1988	102½	103½
Ports Autonomes 9pc 1991	98½	99½
Prov. Quebec 9pc 1984	100½	101½
Quebec Hydro 9½pc 1986	98	98½
Prov. Saskatch. 8½pc 1986	101½	102
Skandia. Enskilda 8pc 1991	98½	99
Volvo 8½pc 1983	99	100½
NOTES		
Australia 8½pc 1983	101½	102½
Australia 8½pc 1986	100½	101½
Dow Chemical 8pc 1986	100½	101
ERC 8½pc 1982	100½	101½
Kockums 8pc 1983	98½	99
Michelin 9½pc 1983	100½	101½
Montreal Urban 8½pc 1981	99½	100½
Nat. Coal Board 8½pc 1981	98½	99½
New Bruns. Prov. 8½pc 1983	100	100½
New Zealand 8½pc 1986	100	100½
Nippon Fudosan 8pc 1981	99½	100½
S. of Scot. Elec. 8½pc 1981	97½	98½
FLOATING RATE NOTES		
Vickers 7½pc min. 1982	99½	99½
Creditanstalt 7½pc min. 1981	97	97½
Bk. Tokyo Hldg. 8½pc min. 1981	100½	101½
LTCB of Japan 8½pc min. 1981	99½	99½

D-MARK BONDS	
Beecham 9pc 1987	[illegible]
EIB 8½pc 1984	[illegible]
Giro. Verona 7½pc 1983	[illegible]
New Zealand 7½pc 1986	[illegible]
Pemex 8½pc 1983	[illegible]
Source: White Weld Secur[ities]	

CONVERTIBLES	
American Express 4½pc '87	[illegible]
Ashland 5pc 1988	[illegible]
Beatrice Foods 4½pc 1992	[illegible]
Beatrice Foods 4½pc 1992	[illegible]
Borden 5pc 1992	[illegible]
Broadway Hale 4½pc 1987	[illegible]
Canon Camera 7pc 1989	[illegible]
Carnation 4pc 1987	[illegible]
Chevron 5pc 1988	[illegible]
Dart 4½pc 1987	[illegible]
Eastman Kodak 4½pc 1988	[illegible]
Economic Labs. 4½pc 1987	[illegible]
Fed. Dept. Stores 4½pc 1985	[illegible]
Firestone 5pc 1988	[illegible]
Ford 5pc 1986	[illegible]
Ford 5pc 1988	[illegible]
General Electric 4½pc 1987	[illegible]
Gillette 4½pc 1987	[illegible]
Gould 5pc 1987	[illegible]
Gulf and Western 5pc 1988	[illegible]
Harris 5pc 1992	[illegible]
Honeywell 6pc 1986	[illegible]
ITT 4½pc 1987	[illegible]
Komatsu 7½pc 1990	[illegible]
J. Ray McDermott 4½pc '87	[illegible]
Mitsubishi Elect. 7½pc 1986	[illegible]
Mitsui 7½pc 1990	[illegible]
J. P. Morgan 4½pc 1987	[illegible]
Nabisco 5½pc 1988	[illegible]
Owens Illinois 4½pc 1987	[illegible]
J. C. Penney 4½pc 1987	[illegible]
Pioneer 6½pc 1989	[illegible]
Raymond 8½pc 1993	[illegible]
Revlon 4½pc 1987	[illegible]
Reynolds Metals 5pc 1988	[illegible]
Sperry Rand 4½pc 1987	[illegible]
Squibb 4½pc 1987	[illegible]
Texaco 4½pc 1988	[illegible]
Toshiba 6½pc 1989	[illegible]
Union Carbide 4½pc 1982	[illegible]
Warner Lambert 4½pc 1987	[illegible]
Warner Lambert 4½pc 1988	[illegible]
Xerox 5pc 1988	[illegible]
Source: Kidder, Peabody	

Recovery on Tokyo bourse

BY DOUGLAS RAMSEY TOKYO, Dec. 8.

THE DOW Jones average climbed sharply for the second day running on the Tokyo Stock Exchange, pushing prices up Yen 66.9 from Tuesday's close. The DJ average has now recovered to Yen 4,717 after having dipped below Yen 4,500 at its worst a few days before Sunday's general election. In the election the ruling Liberal Democratic party (LDP) was barely able, thanks to independent recruits, to hold on to a simple majority in the lower house.

The volume of shares traded on both the first and second sections of the exchange surpassed Tuesday's turnover, with the volume of 430m. shares on the first exchange registering the highest level since early June.

Most of the buying has been done by institutional investors, mainly trusts, on bargain hunting forays to pick up shares sold before the election.

The decline in share prices has been taking place since the end of August, when it became clear that the Japanese economy was not strictly following the country's exports out of recovery. This, combined with fears of overseas import restrictions being placed on Japanese goods, contributed to the steady fall in the DJ average and the Tokyo Stock Exchange Index. Yet on Tuesday and Wednesday alone share prices recovered much of the ground they lost in the six preceding weeks.

Dealers here are sounding more bullish about prospects for the Japanese economy in 1977. For weeks too they have been expecting a bull market to begin in January. That might have been true, in spite of the election, if investors had not moved quite as strongly to sell shares before the plebiscite, and investment trusts had not moved in as strongly afterwards. With only a week to go before Sunday's polling, margin traders and foreigners took their losses rather than suffer greater ones if the direct predictions of a major LDP upset came true.

Governing Japan will be harder without a working majority of 271 seats in the 511-member legislature, but the LDP can count on voting support from the new Liberal Club, a Conservative splinter party which made large gains on Sunday. Therefore, the trusts took the quick decision on Monday afternoon, when the results were known, that the economy will not suffer as a result of the LDP's showing in the election.

This accounts for the large volume of switching from solid sectors like construction into both more speculative areas and also into electricals. These are high-priced but reached bottom because foreign investors were too pessimistic before the election.

Dealers now expect a new surge in margin-trading and foreign investment after two consecutive months of net sales of securities by non-resident investors. (In October, for instance, foreigners sold $100m. more than they bought, or about as much as the net inflow of foreign capital into the market in the six preceding months combined.)

Domestic bond from Kaufhof

BY PAULINE CLARK

KAUFHOF, WEST Germany's second largest stores group with a turnover expected to be in excess of DM7bn. this year, is raising DM150m. on the domestic bond market as the first corporate borrower to venture into the market for four years. The ten year issue, carrying a coupon of 7¼ per cent. will be traded for the first time to-day; and, if market reaction is favourable, it is bound to encourage further efforts to seek funds through fixed interest securities by other major West German corporations next year.

Since 1972 corporate borrowers, deterred by the comparatively high costs of borrowing on the bond market, have raised funds either directly through the banks and through non-marketable promissory notes or through the stock market. As a result, the bond market has long been dominated by Government and public authority borrowers.

The recent depression on the West German stock market—where yields remain unattractive in spite of low prices—coupled with strong performance on the bond markets has now apparently directed corporate attention back to this once important source of funds.

Moreover, last month's move by the Federal Government to issue a bond with a coupon below 8 per cent. for the first time since last March has enabled potential industrial and corporate borrowers to compete. The Federal Government bond raising DM1bn. for ten years carries a coupon of 7¼ per cent. to yield currently 7.32 per cent. while the Kaufhof issue at a price of 99¾ offers a yield of 7.54 per cent.

Kaufhof, which operates 84 stores and 94 Kaufhalle stores last tapped the market in 1971 when it raised DM100m. for 15 years at 7¼ per cent. with an issue price of 99 and another DM100m. issue, also for 15 years but with a coupon of 7¾ per cent. at an issue price of 98¾. These issues are currently being traded at around 99¾ and 100.10 respectively.

The current issue led by Dresdner Bank and co-managed by Commerzbank, however, is nevertheless being regarded as a test case for the benefit of the currently very yield conscious German investor.

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	30.11.76	7.12.76	AVERAGE YIELD	30.11.76	7.12.76
DM Bonds	102.76	103.02	DM Bonds	7.629	7.597
HFL-Bonds & Notes	100.84	100.91	HFL-Bonds & Notes	8.511	8.507
U.S. $ Strt. Bonds	101.33	101.42	U.S. $ Strt. Bonds	8.622	8.621

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Institutions' mixed feelings over farmland

BY CHRISTOPHER HILL and CHRISTINE MOIR

ING SHOPS and office ...s seems quite a natural ...pation for white-collared ...utions like pension funds ...insurance companies, but ...ring into agricultural land ...farming seems much less ...cteristic. Yet last month ...sale of more than 10,000 ... of Welsh farmland ... the Earl of Cawdor to ... Electricity Supply Super...ation Funds for around ... was a striking instance of ...stitution going in for agri...re in a big way. And the ...n the Electricity Council's ...s release that 11,000 of the ...00 people in the pension ...nes were based in Wales ...not exactly dispel the im...sion that the "faceless" ...utional landlord had really ...ed.

...wever, institutions in the ... of the Crown, the Church ...missioners and the ...idge colleges have been ...less" landlords for some ... without making a stir. So, ...here any real grounds for ... of farmers that they might ... be taken over by a lot of ... with striped shirts and slide ...?

...e current trend needs to be ...ed against the background ...e marked fall in agricul... land values after the 1973 ...: the subsequent recovery ...975 and 1976; and the ...ges in the law on the con...ns of tenancies contained ... the Agriculture (Miscel...ous Provisions) Act, which ...ved the Royal Assent last ...h.

...tistics on institutional ownership are not easy to ... by. The Country Landowners Association calculates that in the last quarter only 6 per cent. of the land on the market was bought by financial institutions compared to 30 per cent. of the acreage in the boom years of 1972-73. But only a tiny fraction of land is sold each year and the impression that the extent of institutional activity is greater than it is has two possible reasons. The first is that institutions, like pension funds, are looking for ways of investing their expanding cash flow and take an active decision on whether to invest in farmland, rather than just ignoring it altogether. Second, due to their new status, tenant farmers appear to be, if anything, growing keener on doing the farming themselves. The situation is that, in general, under the new Act the tenant's son or other close relative will be able to inherit the tenancy; and at the moment the value of let land is about 40 per cent. below that of land with vacant possession.

High risk

The institutions interested in agricultural land are basically insurance companies, pension funds and the various institutionally-backed property unit trusts and property bonds which have sprung up in recent years. Views on agriculture among the pension funds and insurance companies vary a good deal. For example, the Prudential reckons that "in-hand" land (with vacant possession) is fetching too high a price. It also points out that while in-hand farming offers a higher return (6-7 per cent. per annum compared with 3-4 per cent. for tenant farming), it also carries a high risk. Nevertheless, *it is running* two farms as "in-hand operations" to learn what it is all about, a mixed farm in Shropshire and a dairy farm in Oxfordshire. Whatever else might come of the experience, the "Pru" hopes that it will help to improve its conventional landlord-tenant relationships on other farms. Optimists about farmland in pensions and insurance *talk of the rising income* on farmland as a result of EEC membership and the prospects for increased land values, but farmland rarely amounts to more than a minor proportion of their funds.

Those who are against agricultural land as an investment tend to be so *primarily* because they are doubtful about the income potential of let land where there are *three-year reviews* and about the uncertain political outlook. One manager of a large pension fund said, "If the going gets tough as it did in the 30s then the tenant can get out any time he likes, but the institution can't get him out." This might sound rather dramatic, but the alternative of buying in-hand land and farming it oneself does not always appeal either, regardless of the price. The same pension fund manager also believes that in-hand farming is too close to actually running a business for most institutions and that, if one wanted to go into farming, investing via an agricultural trust is more logical. It is also significant that whereas a little institutional investment makes a big impact in the agricultural sector, institutions have to invest very large amounts in order to make a meaningful impact on their funds. For example, the Electricity Supply Superannuation Funds' £4m. in Welsh farmland looks small compared with the total of around £650m. worth of farmland which is under management.

The position can be reversed with some of the property unit trusts and property bonds, because for a large number of property bonds, a viable farming unit (say 300 acres, costing perhaps £120,000) would loom too large as a proportion of fund size. So of the 30 property bonds on offer, five have agricultural investments but only two have any sizeable holdings. One is the Abbey Life Fund with some 5 per cent. of its fund in 16,000 acres of farmland—all let with the exception of 1,200 acres farmed in-hand for the insight it gives the managers into farming conditions. The other is the Property Growth Agricultural Fund which has 13,000 acres valued at £5.9m. Property Growth looks for yields of 5 per cent., basic on farmland and thereafter for a high annual rental growth.

There also seems to have been a fashion developing for institutions to launch tax-exempt agricultural unit trusts for pension funds and other exempt institutions which do not wish to go directly into agriculture themselves. At present there are five of them backed by such illustrious names as Baring Brothers, Hambros, Kleinwort Benson, Hill Samuel and Rothschild. But the combined investment so far of the specialist funds is probably not more than £6m.

MEDIAN FARM PRICES IN ENGLAND AND WALES

	1972	1973	1974	1975	1976 (Jan.-June)
Size group					
acres	£	£	£	£	£
25—49	718	1024	909	856	1001
50—99	555	842	707	626	802
100—149	492	735	604	543	770
150—199	521	730	634	472	725
200—249	433	762	573	486	515
250—349	510	703	541	481	708
350 and over	710	849	518	442	604
Region					
North	546	726	645	571	821
Wales	518	542	462	492	678
West Midland	550	811	766	655	993
East Midland	448	735	654	575	690
East	552	861	848	680	840
South-west	583	860	764	595	674
South-east	772	1016	718	550	858
All farms	555	800	682	600	800

Source: The Farmland Market, a joint Estates Gazette, Farmers Weekly publication.
The figures are for farms of 25 acres and over, sold at auction with vacant possession.

Minor

One feature of these funds is that, in spite of the publicity given to institutional ventures into in-hand farming, most of the operations account for only a minor proportion of the funds involved, and institutions take a wary attitude. Indeed, they do not have to do the actual farming themselves if they do not want to. Over the past few years "farming companies" such as Fountain Farming, Hallsworth and Velcourt have become prominent as sub-contractors for running in-hand farms. Naturally farming companies are keen on institutions taking an active role and tend to put forward the view that investing in agricultural land is a productive and socially acceptable investment, especially where the institution has an involvement in active farming. They maintain that institutions which go in for partnership arrangements are more closely in touch with new developments than if they were just landlords, have more flexibility and are unaffected by the problem of getting the tenant out. The farming company goes into partnership with a tenant company in which it, as well as the institution, has an interest. The tenant company rents the land from the institution which then provides the working capital.

It is probably the farming company which appears the most faceless aspect of modern institutional investment policy, seeming far removed from the popular conception of weather-beaten farmer, prodding the soil fondly with a gnarled walking stick. But the farming companies stoutly resist the contention that one has to be an owner or a tenant to be a good farmer. Velcourt for example maintains that not only are all its six directors full-time farmers, but also that it never sets out to be a financial adviser but always acts as the farming expert. Unlike individual tenant farmers, Velcourt farmers are not worried by lack of capital to invest in the land, since this is where the institution plays its part. In the words of Cecil Baker, chairman of the Property Unit Trust (PFPUT) group, last July, "Land needs *money spent on it and the institutions* have the money." He also prophesied that in the long run institutions would be the major investors in agricultural land. This also seems to be the experience of Velcourt, for while only 3,500 of its 16,000 acres are currently owned by institutions, this is the growing part of the business.

But perhaps the most significant factor about institutional interest in land is that, while in-hand farming catches the headlines as a departure from traditional practice, most institutions are primarily interested in rental growth because it is in tenanted land that the major investment has occurred. National figures suggest an average growth of around 9 per cent. per annum and institutional investors are looking for substantial rent increases at the statutory 3-year intervals.

But not everyone agrees, and there are various objections to institutional involvement in agricultural land. One is that institutions may be seriously over-estimating agriculture's potential prosperity in the light of the serious over-supply situations in various agricultural products within the EEC. Another is the question whether farmers really need institutional capital —the counter-argument is that there is ample self-generated capital in agriculture and that the effect of institutional farmland buying is to raise the price of land through competitive bidding, especially since good farms are in short supply. Finally, in the EEC as a whole there is a tendency to discriminate in favour of the family farm against the large-scale or company farmer.

True content

In the last report and accounts of the Agricultural Mortgage Corporation, which makes loans to farmers, there was a rather barbed reference to institutional investors. It said that it might not be long before the Royal Agricultural College might think it worth while to run a course for institutional investment managers, adding that "helping to calve a Friesian heifer in the early hours of a January morning would certainly encourage the investor to appreciate the true content of the real return on his investment." This is no doubt true and any headlong rush by inexperienced institutional investors into agricultural land is not to be encouraged.

The important criterion is that they should act sensibly over agricultural investment and up to a point they *seem to* do so, for most of the larger institutions are far from anxious to catch a cold on investments which are essentially long-term and inflexible, when they can invest more easily in gilts, property and equities.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Narrow and irregular in early trading

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Dec. 8

MOVEMENTS WERE narrow and irregular on Wall Street to-day when there was little in the news background to move stocks either way.

At 1 p.m. the Dow Jones Industrial Average was off 1.53 at 958.86, but the NYSE All Common Index gained 8 cents to $55.71, while advances led declines by about a seven-to-six margin. Trading volume decreased 2.13m. shares to 13.1m., compared with 1 p.m. yesterday.

Closing prices and market reports were not available for this edition.

Tenneco were active and up $¾ to $35¼—its Polymers Group is raising prices for non-tin liquid and powder vinyl stabiliser products.

Reading and Bates Offshore Drilling added $⅜ at $17½ on a raised quarterly dividend.

IBM gained $1 to $271¾. Digital Equipment $1¼ to $54¼ and Bally Manufacturing $1⅜ to $29½, but Xerox lost $1½ to $56½ and McDonald's shed $½ to $55⅝.

Bendix gave way $1½ to $43⅜—it called off its proposed acquisition of Ex-Cell-O, down $1 to $24¼ before being halted. Yesterday the Federal Trade Commission said it was investigating the proposed merger.

Liggett Group picked up $½ to $32¾ on its agreement in principle to buy J. Lyons and Co's Tetley unit for about $27m.

Sony tacked on $¼ at $9½ and American Telephone rose $¼ to $62¾.

Desert Pharmaceutical, which jumped $6½ yesterday, added another $¼ at $37½ on Warner-Lambert plans to buy the shares at $38 each. Warner-Lambert held unchanged at $29¼.

The American SE Market Value Index gained 0.09 to 101.51, although declines led advances by a narrow margin. Trading volume decreased 220,000 shares to 1.45m., compared with 1 p.m. yesterday.

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Deseret Phar.	[illegible]	37½	+6½
Polaroid	332,200	36½	+1¼
U.S. Industries	307,200	7¼	—
Southern Co	266,100	16	—
Bank America	251,700	26¾	+1¼
Amer. Tel. Tel	232,100	62¾	+⅛
Occidental Petrolm.	222,400	21	+⅛
Pub. Serv. Elect.	222,000	22¼	—
Exxon	198,500	51¼	+⅛
Wells Fargo	196,900	24¼	+1

OTHER MARKETS

Canada remains mixed

Canadian Stock Markets remained mixed in light trading yesterday morning.

The Industrial Share Index eased 0.09 to 168.16, Western Oils shed 0.18 to 203.94 and Utilities dipped 0.33 to 138.08, but Golds rose 0.31 to 306.61, Base Metals gained 0.18 to 76.06, Banks put on 1.36 to 228.56 and Papers stiffened 0.63 to 105.38.

Imasco climbed $1 to $23, Pacific Petroleum were up $¾ to $26⅝, but Dome Petroleum declined $½ to $33⅞. Inco gave way $¼ to $30.

Premier Cablevision, the most active issue with 127,785 shares traded, advanced $1 to $9.

Markets closed

Markets in the following countries were closed yesterday for Immaculate Conception: Austria, Argentina, Chile, Italy, Portugal and Spain.

Uruguay was also closed for Beach Day.

PARIS—Market was higher with trading more active than recently.

High yields have attracted back many investors, and Investment Portfolio Companies were making active purchases in end-year book-squaring operations.

The Government's tax exemption plan also helped share prices.

Banks and Foods were higher while Rubbers and Engineerings were mixed. Stores were irregular, while Hotels were mostly little changed.

Americans led a general decline in Foreign stocks.

GERMANY—Most shares lost up to DM2.50 on position closing in lacklustre trading.

Among easier Stores, Karstadt dipped DM4.10, while major Chemicals and Electricals eased up to DM1.40. AEG shed DM1.4 following its announcement it still "only hopes" to pay a dividend for 1977.

Most Steels lost up to one mark after Union agreement with employers for a 6 per cent. pay rise for steel-workers in Bremen and North Rhine Westphalia.

The Bond Market was slack with Public issues mixed.

AMSTERDAM — Market rose over a broad front, except Dutch Internationals which finished narrowly mixed.

Gains in the rest of the market were led by Shippings, major Shipbuilders and Banks.

Amfas rose markedly in Insurances.

Algemene Bank Nederland moved up Fls.3.50, Amsterdam-Rotterdam Bank Fls.1 and Slavenburg's Bank Fls.1.

Transportations rallied in brisk trading. Holland America Line Holding put on Fls.1, KNSMbM Holding put on Fls.1, KNSM Group Fls.4.50, Van Ommeren Fls.6, and Shipping Union Fls.1.30.

State Loans were quietly mixed.

BRUSSELS—Mixed in quiet trading.

In Foreign stocks, U.K. and French issues rose, while German, Dutch and U.S. shares were little changed. Gold Mines fell with the lower bullion fixing.

COPENHAGEN—Slightly lower in fair dealings. Banks were steady, but Communications, Commodities, Shippings and Industrials were generally slightly lower.

OSLO—Industrials were mixed, Bankings firm, while Insurances and Shippings were steady.

SWITZERLAND — Irregularly lower on profit-taking.

Financials were generally steady.

In Chemicals, Sandoz Bearer gained Frs.50 to Frs.5,100 but the Participation Certificates shed Frs.10 to Frs.3,630—the group's $120m. issue of Convertible Debentures and Bearer Participation Certificates was well over-subscribed.

Dollar stocks were irregular in a moderate turnover. Dutch Internationals were hardly changed, while small gains and losses were about equal among German issues.

HONG KONG—Slightly higher in slow trading.

Hong Kong Bank were up 10 cents to $HK18.50, New World 1 cent to $HK1.45, Hutchison 5 cents to $HK3.15, Wheelock "A" 5 cents to $HK2.70, Swire Pacific "A" 5 cents to $HK9.35.

Hong Kong Electric lost 2½ cents to $HK4.675.

TOKYO—Sharply higher in active trading on expectations former Deputy Prime Minister, Takeo Fukuda, would become Prime Minister and take further reflationary measures. Volume 430m. (330m.) shares.

Motor and Car Parts generally gained ground on reports Australia will lift quota restrictions on car imports.

Selective interest later spread to other sectors, including Non-Life Insurances, Real Estates, Pharmaceuticals and Textiles, while "large-capital" shares also gained ground.

JOHANNESBURG—Gold shares moved off the bottom in line with European indications, with dealings becoming more active ahead of the IMF auction.

Financial Minings closed around Tuesday's levels. Coppers were occasionally easier, while Platinums were steady. Industrials were quietly firm.

AUSTRALIA—Higher, led by major Minings and Industrials, particularly those with an export bias. The rise in Gold, Copper and other Commodity prices contributed to market's strength.

BHP rose 26 cents to $A7.16, CSR 23 cents to 3.73, Hamersley 17 cents to 2.92, Utah 13 cents to 4.73, Pancontinental 70 cents to 8.70 and Utah 13 cents to 4.73.

CRA put on 15 cents to 3.05 and Central Norseman 5 cents to 2.30.

Indices

NEW YORK -DOW JONES

	Dec. 7	Dec. 6	Dec. 3	Dec. 2	Dec. 1	Nov. 30	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	960.09	961.77	950.96	946.64	949.58	947.22	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home B'nds*	91.64	91.46	91.32	91.06	90.88	90.67	91.64 (7/12)	85.58 (15/7)	—	—
Transport	230.16	231.01	229.59	228.26	227.20	226.12	231.27 (14/7)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	104.77	104.20	103.14	101.96	101.71	101.77	104.77 (7/12)	84.8 (26/5)	163.32 (30/4/69)	10.58 (28/4/42)
Trading vol. 000's	26,140	24,930	22,940	25,300	21,990	17,080	—	—	—	—

* Basis of index changed from July 1.

Ind. div. yield %	Dec. 3	Nov. 26	Nov. 23	Year ago (approx.)
	4.30	4.26	4.24	4.57

STANDARDS AND POORS

	Dec. 7	Dec. 6	Dec. 3	Dec. 2	Dec. 1	Nov. 30	1976 High	1976 Low	Since compilation High	Since compilation Low
*Industrials	114.97	115.12	114.25	113.62	114.13	113.77	120.89 (21/9)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
†Composite	105.45	105.56	102.76	102.12	102.48	102.10	107.83 (21/9)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Dec. 1	Nov. 24	Nov. 17	Year ago (approx.)
Ind. div. yield %	3.78	3.77	3.84	3.94
Ind. P/E Ratio	11.15	11.54	11.35	12.09
Long Govt. Bond yield	6.28	6.53	6.56	6.08

N.Y.S.E. ALL COMMON

Dec. 7	Dec. 6	Dec. 3	Dec. 2	1976 High	1976 Low
55.63	55.64	55.20	54.97	57.51 (21/9/76)	47.06 (2/1/76)

Rises and Falls	Dec. 7
Issues Traded—1,950	Up—824
Down—677	Same—449
New Highs 147	New Lows 5

MONTREAL	Dec. 7	Dec. 6	Dec. 3	Dec. 2	1976 High	1976 Low
Industrial	168.42	166.24	164.44	165.58	287.55 (19/3)	161.84 (27/11)
Combined	165.57	167.44	163.86	164.74	189.78 (30/3)	162.15 (27/11)
TORONTO Industrial	168.25	168.20	166.33	166.24	197.43 (20/6)	162.72 (22/11)
JOHANNESBURG Gold	177.8	176.5	171.6	172.8	226.7 (14/5)	115.3 [illegible]
Industrials	176.2	174.5	174.2	174.2	215.0 (21/5)	173.5 [illegible]

	Dec. 8	Previous	1976 High	1976 Low
Australia (a)	429.97	412.75	532.64 (13/3)	404.99 (25/11)
Belgium (b)	95.13	96.61	115.13 (7/2)	97.15 (25/10)
Denmark (d)	97.31	95.19	117.7 (19/3)	95.62 (1/12)
France (e)	54.6	53.7	74.5 (5/5)	51.5 (1/12)
Germany (f)	724.5	727.0	821.7 (11/6)	701.7 (29/11)
Holland (g)	80.2	88.0	105.4 (15/2)	77.9 (15/10)
Hongkong (h)	402.99	400.95	465.55 (17/5)	348.35 (2/1)
Italy (k)	(e)	75.76	91.67 [illegible]	64.38 (16/11)
Japan (m)	361.91	357.54	361.91 (8/12)	326.22 (7/1)
Singapore (n)	247.15	245.72	264.1 (3/2)	236.37 (2/1)
Spain (p)	(e)	76.25	100.79 (7/1)	76.2 (11/11)
Sweden (q)	394.36	390.99	476.95 [illegible]	[illegible]
Switz'rl'd (r)	273.4	273.9	288.6 [illegible]	[illegible]

Indices and base dates (all base values 100 except NYSE All Common—50 and Standards and Poors 10): (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp 31/12/56. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (e) Closed.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated
♥ Ptas.500 denom. unless otherwise stated
♣ Kr.100 denom. unless otherwise stated
♠ Frs.500 denom. unless otherwise stated
¶ Yen 50 denom. unless otherwise stated
§ Price at time of suspension
a Florins. b Shillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. [illegible]

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £—117½% (117¾%)

NEW YORK

Stock	Dec. 7	Dec. 6
Abbot Labs.	48	48
Addressograph	11⅛	11⅛
Aetna Life & Cas	34⅜	34⅞
Corning Glass	70⅞	71
CPC Int'nat'n'l	45⅛	46¼
Crane	25¾	26¼
Crocker Nat.	27¼	26⅞
Crown Zellerbach	44	44¼
Johns Manville	34⅜	34¾
Johnson Johnson	74	75
Johnson Control	26½	26½
Joy Manufactu'g	46⅛	[illegible]
Kaiser Alumin'm	31⅞	[illegible]
Republic Steel	30⅞	30⅞
Revlon	45⅞	45½
Reynolds Metals	37	36⅞
Xerox	57⅛	58⅞
Zapata	12⅜	12⅝
Zenith Radio	26	26⅜

CANADA

GERMANY ◆

MILAN

AUSTRALIA

BRAZIL

PARIS

BRUSSELS/LUXEMBOURG

TOKYO

SWITZERLAND●

JOHANNESBURG

SPAIN ♥

AMSTERDAM

STOCKHOLM

COPENHAGEN

VIENNA

OSLO

Sterling steady

Sterling finished unchanged on balance in the foreign exchange market yesterday, and although several Continental centres were closed for a religious holiday there was a fairly good demand for the pound on occasions. This may have enabled the Bank of England to purchase dollars from time to time, which will help towards today's repayment of a little under $1.6m., which is due under the terms of the $5.3bn. standby facility from the central banks.

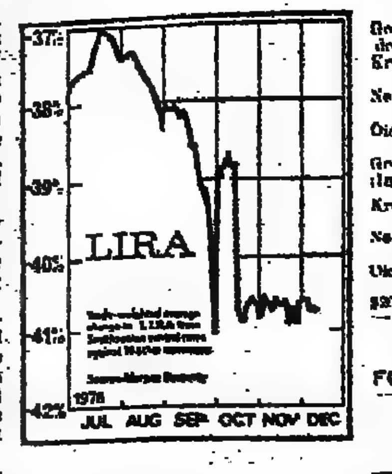
The U.S. dollar was slightly weaker against most major currencies, but this failed to have any sustained depressing effect on the pound.

Sterling opened at $1.6700-1.6710, and touched a best level of $1.6725-1.6730, before easing to $1.6640-1.6650 in the morning. In the afternoon the pound touched $1.6725-1.6730 once more, before closing unchanged on the day, at $1.6710-1.6720.

Its trade-weighted average depreciation since the Washington Currency Agreement of December 1971, as calculated by the Bank of England, widened to 44.7 per cent. from 44.6 per cent., after standing at 44.8 per cent. at noon and in early dealings.

The dollar's trade-weighted depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, widened to 0.51 per cent. from 0.23 per cent.

Gold gained $2 to $135¾-136¼ in rather nervous trading ahead of the gold auction by the International Monetary Fund. The krugerrand's premium over its gold content finished at 3.21 per cent. for domestic and international delivery.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Dec. 7	Dec. 6
Sterling	0.696352	0.694737
U.S. dollar	1.15192	1.15111
Belgian franc	42.1372	42.1767
Deutschemark	2.75908	2.75771
French franc	5.75989	5.75440
Italian lira	—	996.171
Japanese yen	341.544	342.801
Dutch guilder	2.87564	2.87720
Swedish krona	4.80235	4.81106
Swiss franc	2.82059	[illegible]

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Dec. 8	Frankfurt	New York	Paris	Brussels	London	A'dam	Zurich
Fr'nkfu't	—	2.4006-16	47.97-42.03	6.560-565	4.017-018	96.98-96.04	97.76-84
N. York	41.62-64	—	20.0-02	2.731-735	1.6671-6690	40.04	40.73-75
Paris	208.125-525	4.9952-0032	—	13.644-667	8.339-365	204.9-30	203.57-81
Brussels	15.24-29	36.57-58	7.31-33	—	61.09-18	14.65-66	14.90-96
London	4.01-02	1.671-672	8.343-363	61.10-30	—	4.17½-18½	4.10-11
Am'rd'm	104.172-178	2.4967-92	49.956-035	6.826-7305	4.1785-95	—	101.848-895
Zurich	102.25-29	2.4540-4547	49.10-15	6.70½-71½	4.1005-35	98.18-24	—

U.S.$ in Montreal. U.S.$ = 102.42-44 Canadian cents.
Canadian $ in New York. C$ = 97.65-68 U.S. cents. U.S.$ in Milan 865.50
Sterling in Milan 1434.00. †Rates for Dec. 7.

EURO-CURRENCY INTEREST RATES*

Dec. 8	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German Mark	Swiss Franc
†Short term	18½ 18¾	4½ 4¾	8-9	6¾ 7¼	4¼ 5	par ½
7 days notice	17½ 18½	4½ 4¾	8½ 8¾	6½ 7½	4¼ 5	par ¼
Month	15¾ 16¼	4⅝ 4⅞	8½ 8¾	7 7½	4¾ 5	1½ 1⅝
Three months	16 16½	4¾ 5	8⅝ 8⅞	6⅞ 7⅜	4⅞ 5	1⅝ 1⅞
Six months	15¼ 15¾	5 5¼	8⅝ 8⅞	6⅝ 7⅛	4⅞ 5	1⅞ 2⅛
One year	14½ 15½	5¼ 5½	8¾ 8⅞	6⅝ 7	4⅞ 5	2⅜ 2⅝

Euro-French deposit rates: two-day 12¼-12¾ per cent.; seven-day 10⅞-11 per cent.; one-month 11¼-11¾ per cent.; three-month 12¼-12¾ per cent.; six-month 12¼-12¾ per cent.; one year 12-12½ per cent.

Longer-term Eurodollar deposits: two years 6¾-6⅞ per cent.; three years 6¾-7 per cent.; four years 7¼-7⅜ per cent.; five years 7¼-7½ per cent.

The following rates were quoted for London dollar certificates of deposit: one-month 4¾-4⅞ per cent.; three-month 4¾-4⅞ per cent.; six-month 4⅞-4[illegible] per cent.; one year 5⅜-5½ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs. ‡ Following 17.5 per cent. devaluation. "dis" Discount.

GOLD MARKET

	Dec. 8
Gold Bullion (a fine ounce)	
Close	$135¾-136¼
Opening	$135¾-136¼
Morning fix'g	$134.65 (£80.658)
Afternoon fix'g	$135.85 (£81.116)
Gold Coins domestically	
Krugerrand	$139¾-141¼ (£83½-84½)
New Sov'r'gns	$48-50 (£29-30)
Old Sov'r'gns	$44-46 (£27½-28½)
Gold Coins (Intern'nally)	
Krugerrand	$139½-141½ (£83½-84½)
New Sov'r'gns	$48-50 (£29-30)
Old Sov'r'gns	$43½-45½ (£26-27)
$20 Eagles	$222-225

FOREIGN EXCHANGE

Dec. 8 1976	Bank Rates %	Market Rates
New York	5¼	1.6[illegible]
Montreal	9	1.70[illegible]
Amsterdam	6	4.1[illegible]
Brussels	9	60.90[illegible]
Copenhagen	10	9.78½[illegible]
Frankfurt	3½	3.[illegible]

FORWARD RATES

...o hoarding ...potatoes ...y farmers

...Peter Bullen

...MERS ARE not hoarding ...oes Mr. Geoffrey Grantham, ...man of the Potato Market- ...Board said yesterday.

...rmers stored the potatoes ...marketed them as required ...ld the PMB annual meeting ...ondon. "It is only rationing ...rice which stretches sup- ...out over the whole season ...enables potatoes to be ...at as late as the month of ...following the autumn har- ...' he said.

...is is obviously to the bene- ...the public and certainly a ...better arrangement than ...ig a complete void from ...uary onwards. No market ...without ware potatoes last ...n and none, in my opinion, ...ely to be so this season."

...serious shortage of pota- ...again this year had led to ...omenally high prices. Bri- ...which spent £150m. in im- ...ig supplies to relieve last ...shortage, would again ...to rely on imports to aug- ...her supplies, he added.

...import cost, which could ...gher this year because of ...weakening pound, empha- ...the wisdom of Britain try- ...to be self-sufficient in pota- ...However, the two years of ...market prices had masked ...inadequacy of the Govern- ...'s guaranteed price to pro- ...s of £40 a ton. It should be ...to £70 a ton to meet ...rs' increased production ...that had doubled in the ...two years and would rise to ...an acre next season.

...amaica still ...ajor bauxite ...ller to U.S.

...Canute James

KINGSTON, Dec. 8.

...ITE CUTBACKS in produc- ...Jamaica retains its position ...leading supplier of bauxite ...he second largest supplier of ...na to the U.S., the Jamaica ...te Institute said.

...vever, Jamaica's shipments ...uxite were down 10.4 per ...and alumina by 38.6 per ...in the first eight months of ...year against the equivalent ...last year, the Institute

...4.56m. tonnes of bauxite ...ed by Jamaica to the U.S. ...een January and August this ...represented 57.7 per cent. of ...U.S. bauxite imports, which ...ed 7.88m. tonnes.

...also said that Guinea was ...second largest supplier of ...ite to the U.S. with 1.36m. ...es, or 17.2 per cent., of the

EEC must not prosper at Britain's expense—Silkin

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

REAFFIRMING HIS refusal to devalue the "green" pound, Mr. John Silkin, Minister of Agriculture, declared to a meeting of the Farmers' Club in London yesterday that while he recognised British membership of the Community "we should not forget that we are British."

"I for one will not be prepared to see the EEC become more prosperous at the expense of the United Kingdom. I regard this as a first principle," he added.

While recognising the need for maximising the efficiency of European agriculture he did not believe that every country should develop in the same way. "Advantages should be taken of the differences that there are between one country and another," he said.

As an example he pointed out that the marketing boards had served British agriculture well and should not be thrown away.

He accepted the White Paper "Food From Our Own Resources" but told his audience that many of his European colleagues regarded it as British nationalism and did not hesitate to tell him so. He disagreed, because not everything the Community proposed was in the interests of British farming.

He recognised the contribution that farming could make to the balance of payments, but imports would always be necessary. They could come from the Community, from the old Commonwealth and perhaps from a more liberal import policy in the Community itself. His aim would be "to displace any imports we can produce ourselves more economically than we can obtain them from abroad."

He warned his audience of the danger of pricing food out of the customer's reach and mentioned the fall in consumption that followed the high prices of sugar and potatoes after their prices rose.

During questions he underlined this point, particularly in relation to pig meat. He recognised that the MCA subsidies were helping Danes and others to invade our markets and intended to try and do something to get the anomaly of their calculation put right, but he pointed out that consumption overall of bacon had fallen substantially.

He was understood to be in favour of freezing prices in Europe for the same reason, and had had no reason to regret his firm refusal to fall in with the requests of his fellow Ministers to devalue the "green" pound. "I don't think it does any harm to say what you think and make sure that it is understood," he said.

The large numbers of farmers present may not have agreed with all the Minister's views but they certainly appreciated the candour of his exposition.

In particular he gave them encouragement by backing the proposition that farming profits should be averaged over three years for taxation purposes. He had instituted a study of the subject and would not hesitate to present it to the Chancellor who, in any case, had the last word in these matters, he said.

Further beef price rise forecast

BY OUR COMMODITIES STAFF

THE PRICE of beef will probably rise by another 10 per cent. over the next three or four months, a leading butcher forecast yesterday.

If the EEC failed to liberalise its beef import arrangements to allow in more supplies from third countries there could be a sudden surge in prices in the spring, said Mr. Colin Cullimore, managing director of J. M. Dewhurst.

If that coincided with hot weather demand could slump, which would be disastrous for the meat industry as a whole. And if farmers' calls for fatstock prices of £40 a live cwt were realised it could lead to boned sirloin steak costing £3 a pound in the shops, braising steak £1 a pound and stewing steak 80p a pound, he warned.

Mr. Cullimore was speaking at the Royal Smithfield Show at Earls Court, London, where later the supreme champion, Mr. James McKechinie's crossbred steer, Fizz, was auctioned for £5,000. Edinburgh butcher, Mr. Thomas Willis, said he had been prepared to pay far more for the 1,045 lb. champion. In publicity terms it was worth the prestige and it would give his customers a treat.

Meanwhile, from Washington AP-Dow Jones reported that Mr. Richard Bell, U.S. Assistant Agriculture Secretary, had called for a U.S. common market in livestock and red meat with Canada.

In a speech in Indianapolis he said both Canada and the U.S. had suffered from various restrictions placed on meat imports from each other in recent years.

"In view of all this, I believe it would be well for the U.S. and Canada to consider a full Customs union in livestock and red meat, a common market if you will, joining the two countries with respect to those products," he said.

Efforts to achieve "a joint livestock economy" should be undertaken through current multilateral trade talks in Geneva.

A Canadian official welcomed Mr. Bell's statement, saying it would mean at least a return to the pre-1973 days when beef moved freely between the two countries.

But he wondered what would happen after the Carter Administration took over.

TUC given 'Green' £ assurance

TRADE UNION leaders were assured that the Government will continue to fight any change in Green Pound values that would cause a big increase in food prices.

The promise came from Mr John Silkin, the Agriculture Minister, when he spent an hour with the TUC Economic Committee in London. The TUC seemed convinced that the Government will pull out all stops in an effort to protect the British housewife during the coming EEC farm price discussions.

Mr. Len Murray, TUC general secretary, said after the meeting that there was "a very wide measure of agreement" between the TUC and the Minister on the TUC's seven-point plan for reforming the EEC's common agricultural policy. Mr. Murray foresaw "hard and tough negotiations" in the coming EEC talks and hoped the commonsense of the TUC's proposals would be appreciated.

Upturn in coffee and cocoa

By Richard Mooney

FUTURES PRICES on the London cocoa and coffee terminal markets regained most of Tuesday's falls yesterday. March cocoa reached £1,977 a tonne before closing £69.5 up on balance at £1,967.5 a tonne while March coffee, after falling £25 in early dealings, hit £2,464 a tonne before closing at £2,450.5 a tonne, up £43 on the day.

Market sources attributed the rise in coffee to traders covering earlier short sales aided by some speculative buying following Tuesday's shake-out. But sentiment on the cocoa market was affected by reports that Brazil's 1976-77 main crop could be up to 15 per cent. below the 1975-76 outturn.

Base metal prices, with the exception of tin, were also generally higher. Copper opened steady but slipped during the morning. Short-covering lifted values, however, and the rise continued in the afternoon. The firmer tone was aided by rumours of trouble between Thailand and Vietnam.

Lead and zinc reflected the pattern in copper with cash lead gaining £2.5 to £277.5 a tonne and cash zinc £5.25 to £382.75 a tonne. But the tin market experienced a sizeable shakeout and cash standard metal ended £70 lower at £4,865 a tonne.

Indian grain harvest hopes

By K. K. Sharma

NEW DELHI, Dec. 8.

INDIA'S RABI (winter) foodgrain harvest is expected to be around 48m. tonnes, about the same as last winter, as a result of unseasonal heavy rainfall last month.

Half the rabi area under wheat and other grain is irrigated but the other half depends on rain.

Prospects in such States as Uttar Pradesh, Madhya Pradesh, Rajasthan and Haryana—apart from Punjab which has good irrigation facilities—are now good. Since these areas account for 85 per cent. of the rabi crop, hopes are that the same production as last year will be achieved.

The food situation is good for the first time in many years as a result of last year's bumper harvest which has enabled the Government to build up an unusual stock of 22m. tonnes of foodgrains. Food imports have been totally stopped and at one stage the Government was even considering exporting

U.K. COMMODITY DEALING

Fresh Bank trading curbs unnecessary

BY JAMES McDONALD

THE BANK of England is not considering obtaining any further formal powers to control excessive speculation or "non-trade" activities at present in the commodities markets, the House of Lords' Select Committee on Commodity Prices was told yesterday.

Mr. R. W. Marshall, adviser in the exchange control department of the Bank, said he was not aware of any excessive non-trade situations at the moment. Asked about the increasing interest in commodities investment by insurance companies and pension funds he told the committee that it was not a matter for concern at the moment.

In the case of copper, the amount of such long-term investment did not involve an undue amount in relation to stocks but the Bank was watching the situation closely. At present, he suggested, the situation was beneficial to copper producers. If there were not people willing to hold copper in London, the price would fall even more.

Mr. Marshall said he believed that the workings of the commodity markets, over the past two years, had had a stabilising effect on prices.

Although the prime function of the Bank of England in relation to the British terminal commodity markets was concerned with exchange control, Mr. Marshall stressed that it had a "monitoring" role which had become more sophisticated over the last two years with a closer and more up-dated scrutiny of transactions in the principal London markets.

He told the committee that the Bank had no wish to control prices in commodity markets. It looked to the markets to self-regulate themselves, but kept a close watch on speculative interests which might take a disproportionate share of terminal markets.

The Bank, he said, had a high regard for the manner in which international commodity clearing-houses conducted their business and also for the London Metal Exchange.

Speculation

Replying to questions about the powers of the Bank outside its exchange control function, Mr. Marshall said that all commodity market associations had agreements for formal association with the Bank of England. If the Bank reported to an association a "speculative" situation it would expect the association to take action. If the speculation continued, the Bank would have the power to make the association act against the offender—"the member concerned"—and expel that member.

Mr. Marshall added that the Bank obtained much more regular information from the markets than a year ago.

Dr. Shamsher Singh, head of the commodities and export projections division of the World Bank, produced a closely argued paper giving a projection of commodity prices up to 1984. He said that, apart from the impact of unexpected weather such as the Brazil frosts effect on the coffee crop, and political decisions—Opec's acceleration of oil prices, for instance — the World Bank forecasts had in the past been fairly successful.

On the basis of these projections a weighted index of commodity prices (constant U.S.$ and 1974 = 100) showed an index figure for 34 commodities in the 1980-84 period (excluding petroleum) of 77, compared with 83 in the 1970-74 five-year period. This equalled precisely the 77 in the 1975-79 period.

"Real prices of metals, minerals and ores will show an improvement over the current depressed levels but no such improvement is foreseen for agricultural products. Agriculture in the developing countries is faced with worsening terms of trade both internally as well as in international markets and warrants a major change in national and international policies," Dr. Singh told the committee.

He pointed out that since 1973 the World Bank had been prepared to consider the financing of buffer stocks of commodities if this was of broad interest to member governments and if the International Monetary Fund and other resources were inadequate for the purpose. The World Bank was still prepared to examine the issues and intricacies of buffer stock financing but no request had so far been received."

Bid to control U.S. silver trade

WASHINGTON, Dec. 8.

THE U.S. Commodity Futures Trading Commission (CFTC) has agreed that after-hours "switch" trading on the Commodity Exchange Inc. may be non-competitive, but has decided to hold talks with Comex before taking action.

They agreed with a staff recommendation to set aside a 30-40 day period for the talks, after which the five commissioners will review the situation.

A Comex representative, at yesterday's hearing, said the special "switch" (or straddle) session in question is used almost exclusively in silver trading, although Comex rules also allow the same facility for gold.

CFTC decided that if no agreement can be reached with Comex on the issue, it will have to decide whether or not the special session should be abolished.

The commission report said the opportunity to effect tax straddles seemed to be the main reason for the special "switch" system.

It said the number of "switches" executed during a special session usually represented less than 5 per cent. of the total silver trading volume but during months in which tax trading traditionally occurred the share rose as high as 36 per cent.

CFTC produced a chart showing that last December the total number of all "switch" trades rose to over 180,000 compared with less than 40,000 in July. Of this, the special "switch" session accounted for 47,000 against 7,000 in July.

There is some evidence, the report says, to suggest that funds may be "laundered" or "converted" (or both) by the use of the special "switch" session.

It added that there was nothing to prevent a floor broker in the special session from crossing a customer order with an order for his own account and taking advantage personally of the ability to buy at the low or sell at the high, while giving the losing side to a customer.

Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Steadier on the London Metal Exchange. Forward metal traded at £784 until the morning second ...when hedge selling forced a drop ... But more buyers were apparent ...previous days and, with sterling ...ations a factor, there was con... [illegible]

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £761, 61.5, three months, £789, 83.5, 84, 83, 82.5, 83, 83.5, 84, 83.3. Cathodes: Three months, £771.5. Kerb: Cash £753.5, 53, three months, £788, 86, 85.5, 86, 87, 88.5, 89. Afternoon: Wirebars, cash £757, three months, £790, 89.5, 90, 90.5, 91, 90.5, 90, 90.5, 91, 91.5. Cathodes: [illegible]

...metal traded in the morning between £5,110 and £5,120. In the afternoon, however, there was heavy selling from one quarter and this set off stoplosa and chartist selling, with bull liquidation, in a market which was already nervous about the progress of the ITC meeting. The price fell to £5,000 at one stage before coming up to finish on the Kerb [illegible]

	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
[illegible]	751.5	—1	759-60	+9.25
[illegible]	783.5-4	—.5	791.5-2	+9.5
[illegible]	751.5	—1	—	......
[illegible]	758.5-9.5	+.75	746-8	+8.75
[illegible]	771-.5	+1	779-80	+9.5
[illegible]	759.5	+1	—	......
[illegible]	—	......	*70.74	......

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	4952-7	—65.5	4860-70	—70
3 months	5115-25	—92.5	5050-60	—65
S'ment	4957	—65	—	......
Standard				
Cash	4952-7	—65.5	4860-70	—70
3 months	5105-10	—80	5040-2	—68
S'ment	4957	—65	—	......
Straits E.	$1,234	—4.5	—	......
New York	—	......	—	......

...Index 01-351 3466 Three months tin 4098-5052

[illegible]

SILVER

[illegible]

COCOA

[illegible]

JUTE

[illegible]

COFFEE

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

GRAINS

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

VEGETABLE OILS

[illegible]

MEAT/VEGETABLES

SMITHFIELD (prices in pence per pound). Beef: Scottish killed sides 48.0 to 51.0; Ulster hindquarters 53.0 to 56.0, forequarters 33.0 to 36.0; Eire hindquarters 53.0 to 56.0, forequarters 35.0 to 38.0.

Veal: Dutch hinds and ends 70.0 to [illegible]

PRICE CHANGES

Prices per ton unless otherwise stated

[illegible]

FINANCIAL TIMES

[illegible]

REUTER'S

[illegible]

DOW JONES

[illegible]

MOODY'S

[illegible]

U.S. Markets

Copper still dull; grains easier

NEW YORK, Dec. 8.

THE COPPER market closed unchanged again after another dull and featureless session. Silver was weaker on scattered selling touching off stops. Grains were a little easier on profit-taking. Coffee closed little down on trade selling. Sugar closed unchanged after a dull session, Bache comments.

Cocoa—Ghana spot 159 (157). Bahia spot 161 (153). Dec. 140.50 (145.20), Mar. 136.60 (140.50), May 131.75, July 128.50, Sept 122.55, Dec. 111.55, Mar. 107.50 nominal, May unquoted. Sales 1,355.

Coffee—"C" Contract: Dec. [illegible]

Copper—Dec. 57.30 [illegible]

Cotton—No. 2: Dec. [illegible]

[illegible]

STOCK EXCHANGE REPORT

Good interim results from GEC give leaders a fillip

Share index up 5.2 at 325.0—Golds uncertain

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 29	Dec. 9	Dec. 10	Dec. 21
Dec. 13	Dec. 30	Dec. 31	Jan. 12
Jan. 4	Jan. 13	Jan. 14	Jan. 25

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Leading equities made further progress yesterday, despite an early bout of small selling which was prompted to a certain extent by the reminder that the big banks will be imposing a tough squeeze on credit to help bring the money supply under control. However, a broker's circular on the benefits to be gained from North Sea oil helped to steady the market and later in the session sentiment was given a useful filip by the announcement of good interim figures from GEC. Earlier small calls in the leaders were more than recovered and the FT 30-share index which recorded a loss of 2.7 at 10 a.m. closed with a net gain of 5.2 at 325.0: about a fifth of the rise in the index was due to GEC, which jumped to a 1976 high of 169p and closed 17 up on balance at 165p.

British Funds made a mixed showing. Further demand for the short tap caused a fresh improvement in this area. In contrast, the terms of the new long tap, announced on Tuesday, dampened enthusiasm and the latter maturities closed with losses of ¼. The Government Securities index eased 0.03 to 58.31.

Secondary issues were mostly better, with the day's features mainly emanating from company trading statements and speculative demand. Rises led falls by 2—1 in FT-quoted Industrials and the FT-Actuaries All-Share index gained 1.3 per cent. to 138.83. There was a further modest expansion of business as measured by official markings of 4,877 compared with 4,840 on Tuesday and 3,810 a week ago.

The emphasis in British Funds switched, as expected to shorter and medium-dated issues now that the longer end of the market is constrained by a pending new tap stock, for which lists open to-morrow and dealings begin on Monday. Investment was sizeable again in the shorts and the Government broker withdrew his selling price of 96½ for supplies of the tap, Exchequer 13 per cent., 1980, which was established later at 96 ⅝. Interest in the special Treasury 3 per cent., 1982, stock lessened considerably, despite switching from both the shorts and longs, but the quotation hardened ⅛ further to 71⅝. Even the performance of longer-dated maturities was impressive; after opening ¼ lower they rallied to close only a net ⅛ off. The exhaustion of the special 3 per cent., 1982, stock is thought to be close.

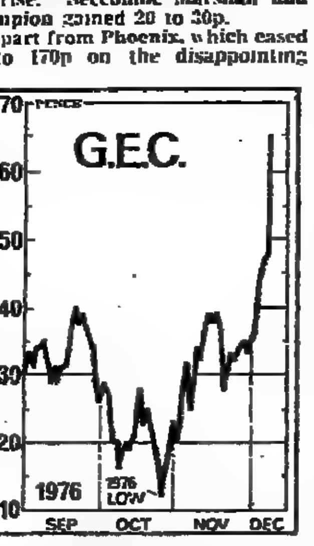
A revival of interest for investment currency owed much to institutional demand and arbitrage offerings which, although on a relatively moderate scale, caused the premium to fluctuate between 118 and 116½ per cent. before ending a net ½ down at 117½ per cent. Yesterday's SE conversion factor was 0.7165 (0.7141).

Recent Equities were notable only for a rise of 10 to 196p in Willis Faber.

Banks dip and rally

The disclosure that strict restraint on new lending is being imposed by the big clearing banks in order to bring their growth back into line with official controls after a further substantial increase in the lending figures last month brought about early falls of up to 7 in the big four. However, prices rallied late in the day and Lloyds ended off at 180p, after 175p, while Barclays ended unaltered at 23p, after 18p. The Australian Government's 2 per cent. currency revaluation continued to help Bank of New South Wales, another 10 better at 445p, and National Bank of Australasia, 9 higher at 215p. After the previous day's fine performance, Discounts continued firmly with the exception of Alexanders, 180p, which lost 6 of the previous day's 16 rise. Seccombe Marshall and Campion gained 20 to 30p.

Apart from Phoenix, which eased 4 to 170p on the disappointing third-quarter profits, Insurances improved further in thin trading. Pearl put on 6 to 168p and Hogg Robinson 3 to 133p.



Still on the hope that the forthcoming mini-Budget will not be as unfavourable to the sector as previously feared, buyers came again for Breweries and kindred trades. Scottish and Newcastle added 2 to 47½p as did Whitbread A, to 60p—while, in thin markets, gains of 7 and 10 respectively were seen in Greene King, 147p and Morland, 265p. Wolverhampton and Dudley put on 4 to 103p in front of to-day's preliminary results. Arthur Bell edged forward 2 more to 148p and Macallan Glenlivet rose 5 to a 1976 peak of 110p. George Sandeman revived with an improvement of 3 to 45p.

Apart from Armitage Shanks, 3½ off at a 1976 low of 35½p on the first half profits setback, Buildings were generally better where changed. Taylor Woodrow rose 6 to 218p, while R. Costain, 117p, and A. P. Cement, 152p, put on 3 apiece. Brownlee edged up 1½ to 38½p on the improved interim figures, while gains of 3 were seen in John Laing "A," 93p, and RMC, 63p. Other firm spots included Streeters of Godalming, 4 up at 29p, and Vibroplant, 5 to the good at 87p.

After easing to 296½p, ICI rallied to close 3 better on the day at 303p. Elsewhere in Chemicals, Fisons improved 12 to 259p. Stewart Plastics moved up 3 to 72p, while Albright and Wilson gained 3 to 80p. Frederick W. Evans responded to the results and scrip issue proposal with a rise of 2 to 22p.

GEC please

Standing at 148p in front of the interim statement, General Electric moved sharply ahead in active trading to close 17 better on the day at 165p, after 169p, on the disclosure of better-than-expected interim profit figures. Thorn Electrical "A" responded to Press comment with a rise of 8 to 168p, while Decca "A," 220p, and Racal Electronics, 220p, put on 10 and 13 respectively in thin markets. BSR were again wanted, rising 4 to 93p for a two-day gain of 9, while Pye Holdings, 52p, and Allied Insulators, 41p, both closed 2 firmer. EMI, at 215p, gave up a penny of the previous day's rise of 11 which followed the chairman's speech at the annual meeting.

Stores attracted a good business on hopes that the retail industry will escape fresh VAT impositions in the forthcoming mini-Budget. Gussies A moved up 4 to 135p following Press comment in front of to-day's interim statement, while British Home Stores, 128p, and Marks and Spencer, 82p, both closed 2 harder. UDS attracted a good two-way business and closed a penny better at 38p, after 48p. W. H. Smith A were lifted 7 to 290p, while Allied Retailers, 61p, and Hepworth B, 30p, put on 3 and 2 respectively. Fairdale Textiles, at 15p, recouped a penny of the previous day's fall of 4.

Engineerings maintained the upward momentum and Hawker rose 7 more to 409p, while GKN, still enthused by this week's Sachs development, gained 6 further to 274p. Matthew Hall came into their own and jumped 10 to 28p ahead of the interim results, due next week, while scattered bid speculation lifted A. Cohen 15 to 150p in a restricted market. British Steam Specialties were raised 5 to 35p and continuing bid hopes took Spear and Jackson up 2 more to 99p. Increased first half profits brought firmness to both Wagon Industrial, up 4 at 82p, and English Card Clothing, which improved 2 to 49p. Deritend Stamping, however, lost 3 to 103p on the midway setback and Frederick Cooper fell 2 to 7p following poor preliminary results. Elsewhere, Edgar Allen Balfour ran into some selling and closed 4 cheaper at 43p.

Foods closed with several firm spots. United Biscuits stood out with a rise of 9 to 121p following the announcement that the company is buying the Wimpy franchise operation from J. Lyons; the latter, with interim results due to-day, finished a penny better at 80p after news of this disposal and also the sale of its American Tetley interests. Geo. Bassett hardened 3 to 62p on further consideration of the interim statement, while Tate and Lyle, 248p, and Associated Dairies, 174p, put on 3 and 6 respectively. Bejam revived with a jump of 9 to 69p in a thin market, while Northern Foods, 61p, and Linfood, 262p, put on 2 apiece. Dealings were suspended yesterday in Hazlewoods (Proprietary), at 18½p, at the company's request pending publication of particulars of the reorganisation of the company following the reported trading loss. Supermarkets made modest headway, Lennons firming a penny to 28p ahead of to-morrow's interim results and Kwik Save improving 3 to 115p. Hotels and Caterers had J. Borel two points easier at 234 and Savoy A 2 cheaper at 31p.

With the exception of Pilkington, which eased 5 to 271p after 268p, on disappointment with the first half profits, the Miscellaneous Industrial leaders managed to take the recent rise a useful stage further. Beecham put on 6 more to 362p, after 364p, and Glaxo rose 3 to 390p, after 392p, while Reckitt and Colman were similarly better at 310p. A Press suggestion that a bid for the company looks to be the best solution to its present situation attracted speculative support to Scottish and Universal Investments which improved 5 more to 69p. Hoover A gained 3 to 188p for a two-day rise of 23p on a broker's circular. Redfearn National Glass rose 5 to 80p in front of to-day's results and Centreway Securities improved 2 to 21p on the sharply higher interim profits. Rabson Trust gained 3 to 101p on the record earnings and, still reflecting the Belgian Government's proposal to raise rents and dividends by 8½ per cent. next year, I. C. Gas put on 8 more at 308p. Further consideration of the 2 per cent. revaluation of the Australian dollar left Broken Hill Proprietary up 25 more at 825p.

Lucas Industries continued firmly in Motors, rising 3 to 191p for a two-day gain of 13 following an investment recommendation. Associated Engineering were again firm, the Ordinary closing marginally better at 73p and the new nil-paid shares finishing 1½ harder at 17p premium.

Newspapers without North Sea oil content attracted slightly more interest than of late, but closing gains were generally small; Bristol Post picked up 2 to 82p and William Collins, in Publishers, were similarly dearer at 90p. Marginal rises were also the order in Papers and Printings.

Tricentrol speculation

None too favourable newspaper comment coupled with a minor reaction overnight in the price on Wall Street initiated a lower opening level for British Petroleum, but in the absence of any worthwhile selling a rally ensued from 732p to a close of 762p, only 4 cheaper on the day. Shell, meanwhile, rebefore ending a net 8 higher at 425p. Tricentrol again made an impression, moving up to 84p on speculation about a possible share offer, worth 120p, from Associated Newspapers and closing 5 dearer on balance at 83p. Berry Wiggins also extended their run to 25p, up 1½ further, while Press mention lifted Premier ½ to 6p.

Properties suffered the effects of a diminishing business and closed narrowly irregular. Land Securities eased initially but later retrieved the loss of 2 to end unaltered at 124p, but Stock Conversion gave up 2 at 147p, after 145p. Avenue Close, 48p, Great Portland, 200p, and Property Holdings, 206p, after 204p also eased. Bernard Sunley reacted 4 to 94p, but Property and Reversionary A gained 5 to 161p and Hammerson A were the same amount higher at 255p.

Harrisons and Crosfield improved 12½ to 375p in Overseas Traders where Gill and Duffus and Inchcape put on 6 apiece at 164p and 420p respectively. Lonrho, however, shed 2 to 38p.

More business was transacted in Investment Trusts where the closing trend was firm. Estates House added 4 at 174p and improvements of 3 were seen in Bishopsgate, 93p, Investment Trust Corp., 130p, and Rothschild, 191p.

Shipping dealers reported a fairly busy session yesterday with Common Bros. again the outstanding feature at 133p, up 13 more on further buying in a thin market; the shares have now risen 63 in just under two weeks since publication of a broker's circular. Hunting Gibson also came in for some support, most of it in the late trade, and shares closed 5 to the good at 132p.

Narrow mixed price movements were the order of the day in Textiles where Coats Patons edged forward 2 to 50½p. Sharply higher first-half profits failed to benefit Cawdaw Industries which held at 20p, but Victoria Carpet declined 2 to 12p on the lower profits.

Sentiment in Tobaccos continued to be helped by hopes that the Government will not increase duty in the forthcoming mini-Budget. BATs Industries added 3 to 228p but the Deferred ended unaltered at 220p ... 2 to 83½, for a ... of 3.

Primrose eased 3 ... quiet South African ...

Golds unsettled

South African Gold ... a mixed appearance ... tinuing optimism ... come of the International ... tary Fund gold auction ... market was unsettled ... of an earth tremor ... of the Orange Free ... mines; as reported ... News, damage ... slight.

The initial reaction was to mark down ... share prices, but ... reports that production ... OFS mines had ... caused prices to ...

Of the issues ... closed 7 lower at ... Western Holdings ... at £14½, after £14½ ... Brand gave up ... 835p.

Otherwise golds ... ably steady, but ... index eased 0.8 ... was finally 32 up ...

Financials remained ... Anglo American rose ... on the OFS earth ... but otherwise prices ... ted.

Coppers and Platinums ... unaltered but ... cent. up-rating of the ... forecast and the ... bar or output left ... higher at ...

Australians continued ... ahead owing to ... tinental interest ... good gains in ... and Melbourne ... niums were particularly ... with Peko-Wallsend ... 800p and Peko-Wallsend ... 360p. Coals also improved ... being 12 higher at ... bridge 5 to the good ...

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wednesday, December 8, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Tuesday Dec. 7 Index No.	Monday Dec. 6 Index No.	Friday Dec. 3 Index No.	Thurs. Dec. 2 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (178)	118.26	-0.9	23.05	8.05	6.46	6.41	117.24	114.89	114.07	112.35	136.96	160.06	100.83	206.37	50.71
2 Building Materials (30)	97.55	+0.6	25.84	9.93	6.31	6.30	96.77	94.97	95.97	92.62	153.44	150.18	85.53	233.84	44.27
3 Contracting, Construction (22)	148.24	+1.8	30.13	7.36	5.12	5.12	145.66	140.54	139.65	136.68	238.41	260.20	122.08	389.35	71.48
4 Electricals (16)	231.60	+0.6	19.25	5.12	7.72	7.52	230.32	225.31	223.70	218.54	238.48	287.30	190.54	380.04	84.71
5 Engineering (Heavy) (13)	151.60	+1.3	31.66	8.66	4.56	4.50	149.66	145.31	143.54	142.62	160.50	193.18	123.56	202.57	64.39
6 Engineering (General) (66)	111.55	+1.0	23.35	8.58	6.35	6.33	110.27	108.09	107.87	106.71	119.19	149.29	95.20	169.59	45.43
7 Machine and Other Tools (9)	52.65	+0.3	18.79	8.44	7.95	7.93	52.47	52.07	51.87	51.45	49.76	60.62	45.29	136.70	19.96
8 Miscellaneous (22)	102.02	+1.0	21.96	8.09	6.65	6.58	101.05	99.20	98.66	97.91	117.71	141.94	90.25	177.41	49.65
9 CONSUMER GOODS (DURABLE) (53)	103.28	+2.4	24.09	6.94	6.22	6.21	100.82	98.01	97.43	96.43	114.52	141.46	83.12	227.78	38.39
10 Lt. Electronics, Radio TV (15)	111.48	+3.5	22.75	5.28	6.54	6.54	107.88	105.09	104.27	102.96	129.41	160.35	87.51	257.41	42.85
11 Household Goods (13)	114.20	+0.8	26.77	10.53	5.69	5.67	113.31	109.24	108.51	107.75	168.15	167.22	104.30	265.22	63.92
12 Motors and Distributors (25)	70.04	+1.8	25.13	8.13	5.98	5.98	68.85	66.90	66.71	66.15	66.30	85.16	56.10	170.59	19.91
13 CONSUMER GOODS (NON-DURABLE) (170)	124.64	+1.9	18.17	7.88	8.23	8.15	122.34	119.50	118.37	116.56	145.35	162.24	104.41	226.08	61.41
14 Breweries (15)	135.49	+2.1	17.60	8.60	8.51	8.51	132.69	125.29	123.76	119.02	161.35	179.43	111.17	281.87	69.47
15 Wines and Spirits (6)	148.10	+1.9	16.25	7.65	9.44	9.44	145.31	140.35	136.57	135.86	156.13	190.67	124.71	257.40	78.88
16 Entertainment, Catering (15)	155.84	+0.9	16.95	6.56	9.00	8.92	154.40	150.07	149.04	145.41	182.35	211.26	127.11	329.99	54.83
17 Food Manufacturing (23)	138.97	+1.8	20.71	6.76	7.28	7.16	136.45	135.20	134.35	133.02	168.70	179.44	120.54	211.66	59.67
18 Food Retailing (16)	115.58	+1.2	16.78	6.80	8.74	8.74	115.33	112.73	111.71	110.97	141.76	160.05	94.79	200.05	54.25
19 Newspapers, Publishing (16)	182.35	-0.6	14.48	5.88	10.46	10.46	181.35	181.60	181.38	178.06	159.29	184.46	148.46	360.29	55.08
20 Packaging and Paper (12)	82.69	+1.2	21.60	9.74	7.10	7.10	81.69	81.57	81.58	80.48	99.60	112.50	72.34	135.69	43.46
21 Stores (34)	98.12	+2.2	15.74	7.38	9.79	9.76	96.05	95.18	93.15	90.84	121.10	136.24	78.47	204.39	52.63
22 Textiles (24)	107.66	+2.5	18.93	11.02	8.30	7.55	105.05	104.20	104.50	104.47	155.53	[illegible]	[illegible]	[illegible]	[illegible]
23 Tobaccos (3)	200.03	+2.3	21.91	8.54	6.78	6.79	195.56	190.05	189.56	186.01	208.78	[illegible]	[illegible]	[illegible]	[illegible]
24 Toys and Games (6)	69.24	+0.7	25.91	9.16	5.61	5.58	68.72	68.20	68.14	66.52	60.67	[illegible]	[illegible]	[illegible]	[illegible]
OTHER GROUPS (93)															
25 Chemicals (20)	187.00	+2.1	17.29	6.18	7.87	7.87	183.16	179.14	177.43	175.42	192.19	[illegible]	[illegible]	[illegible]	[illegible]
26 Office Equipment (6)	84.87	+1.4	19.62	8.14	7.85	7.85	83.96	82.15	81.67	80.68	67.08	[illegible]	[illegible]	[illegible]	[illegible]
27 Shipping (12)	387.93	+1.4	15.11	7.42	9.49	8.54	383.07	362.58	349.57	344.01	363.38	[illegible]	[illegible]	[illegible]	[illegible]
28 Miscellaneous (45)	127.79	+1.5	18.64	9.25	8.06	8.05	125.88	123.63	123.12	121.68	142.73	[illegible]	[illegible]	[illegible]	[illegible]
29 INDUSTRIAL GROUP (496)	127.68	+1.7	19.64	7.59	7.57	7.50	125.58	122.76	121.84	120.19	146.88	[illegible]	[illegible]	[illegible]	[illegible]
30 OILS (4)	405.12	+0.6	10.81	4.55	11.02	10.14	402.85	405.19	394.21	387.96	519.51	[illegible]	[illegible]	[illegible]	[illegible]
31 500 SHARE INDEX	149.70	+1.4	17.75	7.01	8.07	7.92	147.56	145.09	143.41	141.40	158.91	[illegible]	[illegible]	[illegible]	[illegible]
32 FINANCIAL GROUP (100)	105.81	+0.8	—	7.48	—	—	104.44	102.05	100.77	99.18	121.78	[illegible]	[illegible]	[illegible]	[illegible]
33 Banks (6)	128.22	+0.2	26.55	7.31	5.84	5.84	128.50	124.58	122.55	120.65	164.18	[illegible]	[illegible]	[illegible]	[illegible]
34 Discount Houses (10)	141.36	+2.7	—	8.80	—	—	138.57	131.10	130.10	130.90	165.10	[illegible]	[illegible]	[illegible]	[illegible]
35 Hire Purchase (5)	88.26	+1.4	10.60	9.60	21.00	21.00	87.34	86.85	86.55	86.06	101.26	[illegible]	[illegible]	[illegible]	[illegible]
36 Insurance (Life) (10)	88.24	+1.7	—	8.57	—	—	86.75	85.81	81.25	80.41	114.28	[illegible]	[illegible]	[illegible]	[illegible]
37 Insurance (Composite) (7)	82.78	+2.0	—	8.53	—	—	81.16	79.21	79.25	77.84	104.84	[illegible]	[illegible]	[illegible]	[illegible]
38 Insurance Brokers (9)	224.55	+1.8	15.40	6.21	11.18	11.16	221.70	216.19	214.85	213.29	217.50	[illegible]	[illegible]	[illegible]	[illegible]
39 Merchant Banks (15)	49.98	+0.1	—	8.41	—	—	49.92	49.92	49.68	49.34	65.04	[illegible]	[illegible]	[illegible]	[illegible]
40 Property (32)	132.02	+0.1	4.86	4.20	36.65	34.87	131.94	131.25	128.83	125.11	165.83	[illegible]	[illegible]	[illegible]	[illegible]
41 Miscellaneous (6)	84.17	+0.1	20.94	13.43	7.27	7.27	84.12	82.04	81.05	80.71	77.48	[illegible]	[illegible]	[illegible]	[illegible]
42 Investment Trusts (50)	140.65	+0.6	3.85	5.81	26.99	26.99	136.70	137.31	135.68	134.41	167.58	[illegible]	[illegible]	[illegible]	[illegible]
43 ALL-SHARE INDEX (650)	138.83	+1.3	—	7.01	—	—	137.04	134.60	133.03	131.15	153.34	[illegible]	[illegible]	[illegible]	[illegible]
COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44 Rubbers (9)	493.90	+0.2	8.37	5.81	15.99	14.57	498.68	497.24	500.37	498.53	376.95	[illegible]	[illegible]	[illegible]	[illegible]
45 Teas (8)	133.00	+0.5	31.95	9.31	4.12	3.98	132.61	132.61	132.81	132.95	115.35	[illegible]	[illegible]	[illegible]	[illegible]
46 Coppers (3)	155.71	+1.9	42.15	7.28	2.37	2.37	156.70	155.30	159.53	152.71	268.81	[illegible]	[illegible]	[illegible]	[illegible]
47 Mining Finance (11)	82.27	+0.5	11.35	5.67	9.67	9.56	81.83	80.81	79.85	78.89	110.67	[illegible]	[illegible]	[illegible]	[illegible]
48 Tins (5)	116.98	—	12.20	5.80	12.72	12.56	116.98	116.98	117.74	117.16	89.94	[illegible]	[illegible]	[illegible]	[illegible]
49 Overseas Traders (13)	201.81	+0.8	18.19	6.78	7.54	7.33	200.21	198.42	197.84	197.48	214.09	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST	Wed., Dec. 8 Index No.	Yield %	Tuesday Dec. 7	Monday Dec. 6	Friday Dec. 3	Thurs. Dec. 2	Wed. Dec. 1	Tuesday Nov. 30	Monday Nov. 29	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1 Consols 2½% yield	—	14.98	14.98	14.97	15.07	15.06	15.05	15.16	15.04	14.88	[illegible]	[illegible]	[illegible]	[illegible]
2 20-yr. Govt. Stocks (6)	44.64	15.44	44.55	44.57	44.31	44.26	44.28	44.18	44.61	45.68	53.45	42.31	116.42	38.27
3 20-yr. Red. Deb. & Loans (15)	45.24	16.24	45.27	45.02	45.02	44.98	45.03	45.15	45.56	46.17	[illegible]	[illegible]	[illegible]	[illegible]
4 Investment Trust Prefs. (15)	43.74	15.90	43.98	43.84	43.84	43.59	43.59	43.71	43.80	43.74	[illegible]	[illegible]	[illegible]	[illegible]
5 Coml. and Indl. Prefs. (20)	60.85	14.84	60.78	60.88	60.88	60.65	60.65	60.56	60.93	57.67	[illegible]	[illegible]	[illegible]	[illegible]

Section or Group / Base Date / Base Value: Overseas Traders 31/12/70; Engineering (Heavy) 31/12/71; Engineering (General) 31/12/71; Wines and Spirits 10/1/70; Toys and Games 16/1/70; Office Equipment 16/1/70; Industrial Group 31/12/70; Miscellaneous Financial 31/12/70; Food Manufacturing 29/12/67; Food Retailing 29/12/67; Insurance Brokers 29/12/67; Mining Finance 29/12/67; All Other 10/4/62. [Base values illegible]

† Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. CONSTITUENT CHANGE: Central Wagon (Cars Misc.) has been replaced by Weybern Engineering (Eng. General).

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p. A record of the indices, cost £35, is obtainable from FT Business Enterprises, 10 Bolt Court, London, EC4. It gives all groups and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

FINANCIAL TIMES STOCK INDICES

	Dec. 8	Dec. 7	Dec. 6	Dec. 3	Dec. 2	[illegible]
Government Secs.	58.31	58.56	58.37	58.28	58.26	[illegible]
Fixed Interest	66.16	66.10	58.17	60.05	57.97	[illegible]
Industrial Ordinary	325.0	319.8	310.1	305.5	300.9	[illegible]
Gold Mines	138.1	137.0	137.6	136.3	138.5	[illegible]
Ord. Div. Yield	6.72	6.83	7.01	7.13	7.20	[illegible]
Earnings Yld % (full)	21.05	21.58	21.86	22.32	22.55	[illegible]
P/E Ratio (net)	5.85	5.86	5.66	5.56	5.50	[illegible]
Dealings marked	4,877	4,840	3,886	3,886	4,131	[illegible]
Equity turnover £m.	—	34.71	58.45	42.85	35.15	[illegible]
Equity bargains total	—	11,183	9,610	9,560	8,171	[illegible]

10 a.m. 317.1. 11 a.m. 317.9. Noon 318.7. 1 p.m. 320.7. 2 p.m. 321.5. 3 p.m. 323.3.

Latest Index 01-246 8026.

* Based on 52 per cent. corporation tax. † Nil=8.88.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	60.41	55.50	127.4	49.18
Fixed Int.	64.46	55.37	150.4	50.53
Ind. Ord.	420.8	265.5	549.6	49.4
Gold Mines	346.9	78.8	442.3	43.5

S.E. ACTIVITY

Daily — Gilt Edged, Industrials, Speculative, Totals; 5-day Average — Gilt Edged, Industrials, Speculative, Totals [figures cut off]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
BATs Defd.	25p	13	220	—	223	[illegible]
ICI	£1	13	303	+ 3	402	[illegible]
Shell Transport	25p	14	428	+ 8	462	[illegible]
BP	£1	10	782	− 4	780	[illegible]
Unilever	25p	9	400	+ 4	500	[illegible]
Beecham	25p	8	362	+ 6	390	269
Burmah Oil	£1	8	36	− 1	73	23
Chloride "New"	Nil/pd.	8	26	+ 24	29	81
Courtaulds	25p	8	[illegible]	[illegible]	[illegible]	73
Natl. Westminster	£1	8	193	—	272	163
P & O Defd.	£1	8	119	—	119	87
Pilkington	£1	8	271	− 5	348	211
Barclays Bank	£1	7	223	—	350	180
Distillers	50p	7	131	+ 1	158	95½
GUS "A"	25p	7	133	+ 1	324	123

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1) (e). + Premium.

Option Report—3-month Call rates

OPTION DEALING DATES: First Dealings	Last Dealings	Last Declaration	For Settlement
Dec. 7	Dec. 20	Mar. 10	Mar. 22
Dec. 21	Jan. 11	Mar. 24	Apr. 5
Jan. 12	Jan. 24	Apr. 6	Apr. 20

Calls were dealt in Lonrho, Ransome Hoffmann, St. Piran, Trafalgar House B Warrants, MEPC, Burmah Oil, Ultramar, International Timber, BOC, J. Lyons, Nottingham Manufacturing, Carrington Viyella and Peachey Property. Puts were done in Land Securities, General Electric and Beecham, while doubles were arranged in Lonrho, ICI, MEPC, English Property, Fairview Estates, Trafalgar House B Warrants, LRC, Cons. Gold Fields, BOC, Lyons, EMI and Shell Transport. Short-dated puts were dealt in Land Securities and General Electric, while a call was done in J. Lyons and doubles were arranged in ICI, Shell Transport and Cons. Gold Fields.

Industrials, Property, Oils, Mines: Brown (J.) 9, Burton "A" 6½, Cadbury 5, Cavenham 10, Courtaulds 11, Debenhams 8, Distillers 16, Dunlop 7½, Legal & General 12, Ladbroke 11, Lex Service 3½, Lloyds Bank 22, "Lots" 4, London Brick 4½, Lonrho 9, Lucas Inds. 20, "Mams" 7, Trust Houses [illegible], Tube Invest. 7, Unilever 48, Utd. Drapery 8, Vickers 18, Williams Hud'n 4, Woolworths 6, Charter Cons. 15, Chart'hall Fin 4, Cons Gold 15, Hampton Areas 12, Rio T. Zinc 18, Western M'ng. 18]

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (15)

BANKS (1): Bank America
BEERS (1): Macallan Glenlivet
ELECTRICALS (1): GEC
ENGINEERING (2): Assoc. Tooling; Hearl Wrightson
HOTELS (1): Epicure
INDUSTRIALS (2): B.P.B.; Scottish Heritable
INSURANCE (2): Brentnall Beard; Comm. Ins. America
PAPER (1): I.P.C.
SHIPPING (1): Common Bros.
TRUSTS (1): Kalgoo
RUBBERS (1): Cons. Plants.
MINES (1): Sungei Besi

NEW LOWS (9)

BANKS (1): Goode Durrant Murray
BUILDINGS (3): Armitage Shanks; Whittingham (W.); Barratt ...
CHEMICALS (1): Alan HV
ENGINEERING (1): Brotherhood (P.)
INDUSTRIALS (1): Stelux Mfg.
MOTORS (1): Quick (H. J.)
OVERSEAS TRADERS (1): Hedisons (J.)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dom. & Foreign Bonds	1	—	59
Industrials	378	285	1,102
Financial and Prop.	197	67	285
Oils	11	6	12
Plantations	5	4	29
Mines	29	32	68
Recent Issues	8	2	19
Totals	645	316	1,462

BASE LENDING RATES

Allied Irish Banks; American Express Bk.; Anglo-Portuguese Bank; Henry Ansbacher; Banco de Bilbao; Bank of Credit & Cmce.; Bank of Cyprus; Bank of N.S.W.; Banque du Rhone; Barclays Bank; Barnett Christie Ltd.; Bear Securities Ltd.; Bremar Holdings Ltd.; Brit. Bank of Mid. East; ■ Brown Shipley; Canada Permanent; Capitol C & C Fin.; Cayzer, Bowater Co.; Cedar Holdings; ■ Charterhouse Japhet; C. E. Coates; Consolidated Credits; Co-operative Bank; Corinthian Securities; Credit Lyonnais; G. R. Dawes; Duncan Lawrie; Eagil Trust; English Transcont.; First London Secs.; First Nat. Fin. Corpn.; First Nat. Secs. Ltd.; Goode Durrant Trust; ■ Antony Gibbs; Greyhound Guaranty; Grindlays Bank; ■ Guinness Mahon; ■ Hambros Bank; ■ Hill Samuel; C. Hoare & Co.; Julian S. Hodge; Hongkong & Shanghai; Industrial Bank of Scot.; Keyser Ullmann; Knowsley & Co. Ltd.; Lloyds Bank; London & European; London Mercantile; Midland Bank; ■ Samuel Montagu; ■ Morgan Grenfell; National Westminster; Norwich General Trust; P. S. Refson & Co.; Rossminster Accept'cs; Royal Bk. Canada Trust; Schlesinger Limited; E. S. Schwab; Security Trust Co. Ltd.; Shenley Trust; Standard Chartered; Trade Development Bank; Twentieth Century Bk.; United Bank of Kuwait; Whiteaway Laidlaw; Williams & Glyn's; Yorkshire Bank [rates cut off at page edge]

■ Members of the Accepting Houses Committee.
* 7-day deposits ..., 1-month deposits ...
† 7-day deposits on sums of £10,000 and under ..., up to £25,000 ... and over £25,000 ...
‡ Call deposits over £1,000 ...
§ Demand deposits ...

CORAL INDEX: Close 324-329

INSURANCE BASE RATES: Property Growth ...; Cannon Insurance ...; † Address shown under Insurance and Property Bond Table.

MONEY MARKET

Further signal on rates

Bank of England Minimum Lending Rate 14½ per cent. (since November 19, 1976)

The monetary authorities remained concerned about a possible cut in Bank of England Minimum Lending Rate at Friday's Treasury bill tender, and gave a further signal to the London money market yesterday that they would not be happy to see a reduction in MLR this week. This was the second consecutive day that the Bank of England had felt it necessary to give an indication on interest rates and the message was again made by lending a moderate amount, for seven days, at Minimum Lending Rate.

Discount houses buying rates for three-month Treasury bills remained at 13¾ per cent. however, and continue to indicate a possible cut in MLR on Friday.

The number of houses involved in the assistance was nine or ten, and the same number also borrowed an extremely large amount overnight at MLR.

A small number of Treasury bills were also purchased from the houses, making a total of exceptionally large assistance to the market.

Two major factors outweighed everything else and these were both against the market's favour. Settlement was made of very large gilt-edged sales, and repayment was made of the official advances made to the market on Tuesday and during the previous week.

Discount houses paid up to 14½ per cent. for secured call loans in the early part and closing balances were taken within a range of 5 per cent. to 14 per cent.

In the interbank market overnight loans opened at 15¼-15½ per cent. and closed at 9-10 per cent.

Rates in the table below are nominal in some cases.

Dec. 8 1976	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	9-15¼	—	—	—	—	14½	[illegible]	—	—
2 days notice	—	—	14½-14¾	—	—	—	—	—	—	—
7 days or 7 days notice	—	[illegible]	[illegible]	—	—	[illegible]	[illegible]	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
Two years	—	—	—	—	15	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Longterm local authority mortgage rates nominally three years 15 per cent.; four years 15½ per cent.; five years 15½ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13¾-13⅞ per cent.; four-month trade bills 14¾ per cent. Approximate selling rate for one-month Treasury bills 13¾-13⅝ per cent.; two-month 13⅝ per cent.; and three-month 13¾ per cent. Approximate selling rate for one-month bank bills 14 per cent.; two-month 14 per cent.; and three-month 14 per cent.; one-month trade bills 14½ per cent.; two-month 15 per cent.; and also three-month 15 per cent.

Finance House Base Rates (published by the Finance Houses Association): 15 per cent. from December 1, 1976. Clearing Bank Deposit Rates for small sums at seven days' notice 11 per cent. Clearing Bank Base Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 14.0497 per cent.

صكنا من الاهل

AUTHORISED UNIT TRUSTS

Framlington Unit Mgt. Ltd. (a)
5-7, Ireland Yard, EC4B 5BH. 01-248 6971

Capital Tst.	50.6	53.5	.....	6.49
Income Tst.	47.6	50.4	.....	9.29
Int. Growth Fd.	53.8	57.2	.....	4.82
Do. Accum.	53.8	57.2	.....	4.35

Friend's Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking 0306 5055

Friends Prov. Ut.	25.1	26.8	+0.3	6.42
Do. Accum.	30.7	32.8	+0.4	6.42

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

United States Tst. Intl. Adv. Co.,
14 Rue Aldringer Luxembourg.

U.S Tst Inv Fnd.	$US11.41	-0.04	0.87

Net asset value Dec. 7.

S. G. Warburg & Co. Ltd.
30, Gresham Street EC2 01-600 4555

Cnv. Bd Dec 7	$US8.86	+0.01	—
Energy Int Dec. 7	$US14.20	+0.16	—
Gr St $Fd Nov 30	$US6.99	.....	—

Warburg Invest. Mngt. Jrsy. Ltd.
1 Charing Cross, St. Helier, Jsy. CI. 0534 38041

CMF Ltd Nov 25	$US9.65	9.90	.....	—
CMT Ltd. Nov 25	£9.22	9.46	.....	—
Metals Tst Nov 18	£12.27	12.57	.....	—
TMT Nov 11	$US9.96	10.22	.....	—
TMT Ltd Nov 11	£10.10	10.36	.....	—

World Wide Growth Managementφ
10a, Boulevard Royal, Luxembourg.

WorldWideGth Fd	$US11.59	+0.07	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥Net of tax on realised capital gains unless indicated by φ. ¶Guernsey yield. ●Suspended. ♦Single premium insurance bonds. φYield before Jersey tax.

REGIONAL MARKETS

...lection of the share prices previously shown under regional headings is ...d below with quotations on London. Irish issues, most of which are not ... listed in London, are shown separately and with prices as on the Irish ...e.

						IRISH		
						Conv. 9% '80/82	£79½	.....
...nv. 20p	16	.....	Higsons Brew.	65	+3	Alliance Gas	47	.....
...ning	30	.....	I.O.M. Stm. £1	134	.....	Arnott	150	.....
...	21	.....	Holt (Jos.) 25p	188	.....	Carroll (P.J.)	96	+1
...Ed. 50p	126	+1	Kleen-e-Ze	36	.....	Clondalkin	34	.....
...roft	25	.....	Lovell's Ship £1	180	.....	Concrete Prods.	41	.....
...tone £1	350	.....	N'thn. Goldsmith	22	+1	Heiton (Hldgs.)	30	.....
...(A.)	20	.....	Pearce (C. H.)	85	.....	Ind. News	37	.....
...deHdy	60	.....	Peel Mills	11	.....	Ins. Corp.	140	.....
...r'k 10p.	22	.....	RobbCaledon$h.	47	.....	Irish Distillers	38	.....
...	8	.....	Sayers 12½p	15	.....	Irish Ropes	95	.....
...rne	49	.....	Sheffield Brick	73	.....	Jacob	40	.....
...Pkg. 5p.	16	.....	Sheff. Refrshmt.	140	.....	Sunbeam	12	.....
...bip. £1	300	.....	Shiloh Spinn.	29	.....	T.M.G.	70	.....
...Sleigh 10p	6	.....	Sindall (Wm.)	49	.....	Unidare	44	.....

...ADERS AND LAGGARDS

...following table shows the percentage changes† which have taken place ...cember 31, 1975, in the principal equity sections of the F.T.-Actuaries ...ices. It also contains the F.T. Gold Mines Index.

...	+25.86	Entertainment and Catering	-17.49
...	+22.80	Consumer Goods (Non-Durable) Group	-18.21
...	+21.56	Food Retailing	-19.51
...	+11.99	Electronics, Radio and TV	-21.23
...rs and Publishing	+11.52	Packaging and Paper	-21.55
...Games	+10.54	Discount Houses	-22.14
...Tools	+3.88	Stores	-22.18
...Brokers	+1.33	Banks	-22.40
...Distributors	-2.08	Insurance (Composite)	-23.12
...	-4.17	Financial Group	-23.22
...	-5.78	Property	-24.39
...	-7.27	Office Equipment	-24.84
...g (Heavy)	-8.40	Insurance (Life)	-26.10
...Index	-10.41	Mining Finance	-27.68
...	-11.39	Building Materials	-30.64
...g (General)	-11.55	Household Goods	-32.74
...Traders	-12.16	Hire Purchase	-34.99
...Index	-13.32	Textiles	-35.62
...ufacturing	-15.97	Coppers	-40.07
...Group	-16.26	Contracting and Construction	-40.99
...Goods (Durable) Group	-16.30	Merchant Banks	-41.48
...	-16.41	Gold Mines FT	-42.44
...Spirits	-16.99	† Percentage changes based on Tuesday, December 6, 1976, indices.	
...Trusts	-17.16		
...ines Group	-17.44		

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	1976 Low	Stock	£	+ or −	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)						
101 13/32	99 3/16	Treasury 10½pc 1976‡‡	99 31/32	......	10.55	13.96
98 5/32	95 3/32	Treasury 6½pc 1977‡‡	98 1/16	......	6.37	14.18
97¾	94½	Electric 3pc '74-77	97¼	......	3.08	13.78
103 1/32	97 1/16	Treasury 11½pc '77‡‡	98 3/16	+1/32	11.67	13.34
95½	91⅞	Treasury 3pc '77‡‡	94⅛	+1/16	3.19	9.71
95¼	92¼	Transport 4pc '72-77	95¾xd	+1/16	4.18	8.40
99 1/16	90½	Treasury 9pc 1978‡‡	95 3/16	+3/32	9.42	12.68
101½	93⅞	Treasury 10½pc '78‡‡	96⅝xd	+1/16	10.87	13.00
93¼	89⅝	Exch. 5pc '76-78	90⅞	......	5.50	10.69
103 3/32	92 3/16	Treasury 11½pc '79‡‡	95 1/16	−1/16	12.10	14.11
98¼	92 5/32	Treas. 10½pc '79 'A'‡‡	95 1/16	+3/32	12.10	14.12
86⅞	82¼	Treasury 3pc '79‡‡	86½	+1/16	3.57	9.65
89⅜	82¼	Electric 4½pc '74-79	85½	......	4.99	10.51
100 3/32	88⅞	Treasury 10½pc '79‡‡	91 3/32	−¼	11.46	14.11
88¼	82¼	Electric 3½pc '76-79	84 1/16	+⅛	4.16	9.83
96 3/32	84½	Treasury 9pc 1980‡‡	87 1/16	+3/32	10.34	14.11
96½	84 3/16	Treasury 9½pc '80‡‡	87 13/32	+3/32	10.85	14.19
86	78¼	Treasury 3½pc '77-80	81¼xd	......	4.31	9.95
99½	80	Funding 5¼pc '78-80‡‡	82½	......	6.36	11.44
96 5/16	96 1/16	Exch. 13pc 1980‡‡●	96 5/16	−1/16	13.48	14.13
103 5/16	88½	Treasury 11½pc 1981‡‡	91¾xd	+⅛	12.53	14.18
86	76¼	Treasury 3½pc 1979-81	77¾	......	4.50	10.14
95⅝	82 5/16	Treasury 9¾pc 1981‡‡	85 11/32	+⅛	11.36	14.25
Five to Fifteen Years						
94⅛	79¾	Treasury 8¼pc '80-82‡‡	85	+⅛	10.42	13.60
71 3/16	69¾	Treasury 3pc '82‡‡	71 1/16	−1/16	4.24	10.45
99⅝	98¼	Treasury 14pc '82‡‡	99⅝	−⅛	14.21	14.39
107¾	88⅞	Treasury 12pc 1983‡‡	93¼	+⅛	13.26	14.33
81⅛	69⅝	Funding 5½pc '82-84‡‡	72⅞	+⅛	7.78	11.68
87⅝	74¼	Treasury 8¼pc '84-86‡‡	74¾xd	......	11.26	13.07
74⅞	60⅛	Funding 6½pc '85-87‡‡	64½	......	10.24	13.02
77⅝	65⅛	Treasury 7¾pc '85-88‡‡	69¼	......	11.68	13.71
51¼	44⅜	Transport 3pc '78-88	46⅝xd	......	6.41	11.40
59¼	48	Treasury 5pc '86-89	51	......	9.95	13.10
103¼	87½	Treasury 13pc 1990‡‡	93⅛	......	14.79	15.13
75⅞	61⅝	Treasury 8¼pc '87-90‡‡	63¾xd	......	12.91	14.39
60	47½	Funding 5¾pc '87-91‡‡	50½	......	11.53	13.91
Over Fifteen Years						
100½	84¼	Treasury 12½pc '92‡‡	89½	−⅛	15.09	15.40
96½	81⅛	Treasury 12½pc '93‡‡	81½xd	−¼	15.13	15.45
58	45½	Funding 6pc 1993‡‡	48¼	−¼	12.57	14.38
97½	91½	Treasury 14½pc '94‡‡	95⅝	−⅛	15.49	15.56
75½	59½	Treasury 9pc '94‡‡	63½	−½	14.30	15.09
36½	28⅝	Gas 3pc '90-95	30⅞	−⅛	9.81	13.93
100	79	Treasury 12¾pc '95‡‡	83⅞	−⅛	15.35	15.54
75⅞	59⅞	Treasury 9pc '92-96‡‡	63⅝	−½	14.63	15.21
98¼	97½	Treasury 15¼pc '96‡‡	98⅝	−⅛	15.65	15.66
95¼	81½	Exchequer 13¼pc '96‡‡	86½	−⅛	15.47	15.62
35½	28	Redemption 3pc 1986-96	30¼	−⅛	10.11	12.90
102½	85¼	Treasury 13¾pc '97‡‡	90⅜	−⅛	15.53	15.64
70⅛	58	Treasury 8½pc 1997‡‡	61⅞	−⅛	14.71	15.21
57⅝	45	Treasury 6¾pc '95-98‡‡	48	−⅛	14.27	15.05
101⅛	95⅜	Treas. 15½pc '98‡‡	101	−⅛	15.72	15.69
—	—	Treas. 15½pc '98 'A'‡‡●	£99	......	15.66	15.67
76	63¼	Treasury 9½pc 1999‡‡	67¼xd	−⅛	14.98	15.30
31½	25¾	Funding 3½pc '99-04	26⅛xd	−⅛	13.22	14.17
65	51	Treasury 8pc '02-06‡‡	54½	−⅛	15.07	15.22
46⅜	35⅝	Treasury 5½pc '08-12‡‡	38⅛	−⅛	14.96	15.08
60⅞	50⅜	Treasury 7¾pc '12-15‡‡	53⅞	−⅛	15.20	15.23
Undated						
30⅛	25¼	Consols 4pc	27⅛	......	15.56	—
27⅜	22¼	War Loan 3½pc‡‡	24⅛	......	14.55	—
28⅜	25⅛	Conv. 3½pc '61 Aft.	25¼	......	14.23	—
23¼	18½	Treasury 3pc '66 Aft.	19⅝	......	15.71	—
19⅝	16	Consols 2½pc	16½xd	......	14.98	—
19½	15⅞	Treasury 2½pc	16⅛	......	15.72	—

**INTERNATIONAL BANK

76½	66½	5pc Stock '77-82	76½	..	6.66	11.01

**CORPORATION LOANS

89¼	78¼	Birmingham 9¾pc '79-81	81½	..	11.35	14.87
98⅝	87½	Bristol 6½pc '75-77	98⅝	...	6.59	15.15
95¼	89½	Essex 5¼pc '73-77	95¾xd	...	5.74	13.74
96	92⅝	G.L.C. 7¼pc 1977	95⅝	......	7.58	14.10
102½	86½	Do. 12½pc '82	90¼	......	13.83	15.16
78¼	73½	Herts. 5½pc '78-80	75½	......	6.95	14.51
95½	91⅞	Liverpool 7pc '76-77	95	......	7.37	14.03
83	73½	Do. 9¼pc '80-84	77	......	12.76	15.13
26	20½	Do. 3½pc Irred.	21xd	......	16.80	—
90	85¼	Lon. Corp. 6½pc '75-78	88¼	......	7.37	14.65
83	71	Do. 9¼pc '84-85	74	......	12.79	15.00
92	87⅞	L.C.C. 6pc '75-78	91¼	......	6.57	14.32
75½	64¼	Do. 5½pc '77-81	70¼	......	7.83	14.30
67½	58	Do. 5½pc '82-84	61	......	9.35	14.65
59	49	Do. 5½pc '85-87	56½xd	......	10.88	14.98
60½	50	Do. 6¾pc '88-90	52¾	......	13.50	15.78
22½	18	Do. 3pc '20 Aft.	19¼	......	15.93	—
93¼	90	Middx. 6¼pc '75-77	93¼	......	6.70	13.82
79½	74	Do. 5¼pc 1980	76¼	......	6.88	14.62
90½	81¼	Newcastle 9¾pc '78-80	84½	......	10.95	14.74
101½	90½	Warwick 12½% 1980	93½	......	13.37	14.70

COMMONWEALTH & AFRICAN LOANS

91	83⅝	**Aust. 5½pc '75-78	87¼	......	6.38	14.33
82¼	77¼	**Do. 5½pc '77-80	77⅞xd	......	7.03	14.53
74¼	64½	**Do. 5½pc '81-82	68⅛	......	8.19	14.59
86⅞	80¼	**N.Z. 4pc 1976-78	85⅜xd	......	4.68	12.41
83⅝	77	**Do. 6pc '76-80	80½xd	......	7.61	14.41
74	62	**Do. 7½pc '83-86	64¼xd	......	11.55	14.38
65	22	Sth. Rhod. 2½pc '65-70	47	......	—	—
64	34	Do. 6pc '78-81	55	......	—	—

LOANS (Miscel.)

81⅛	42	Agric. Mt. 5pc '59-89	42½xd	......	11.67	15.43
76½	64	Alcan 10½pc '89-94	66½	+1	15.93	16.50
100¼	89¼	**FFI 12pc '81	93¼	......	13.94	15.21
106	93	Do. 14pc 1979	98½	......	14.57	15.80
66¼	54	ICFC 8¾% Ln. '92-97	59½	......	15.91	16.50
97½	89	Do. 9pc 1977	97½	......	9.30	12.20
24⅝	19	**Met. Water 3pc 'B'	20¼	......	15.04	16.13
110	71	U.S.M.C. 9pc 1982	98xd	......	9.18	9.45
82½	71	Do. without Wrnts.	72xd	......	12.50	16.85
90½	84	Ultramar 7pc '75-78	87	......	8.17	16.00

FOREIGN BONDS & RAILS

1976 High	1976 Low	Stock	Price £	+ or −	Div % Gross	Red. Yield
18½	9	Antofagasta Rly.	15½	......	—	—
36	27½	Do. 5pc Pref.	32xd	......	B—	—
95	26½	Berlin 4½pc Ass.	95	......	4½	—
98	94	Chilean Mixed	95	......	3	£3.19
202	192	German Yng. 4½pc.	198xd	......	4½	—
72	60	Greek 7pc Ass.	60	......	3½	†5.88
67	55	Do. 6pc '28 Stab. Ass.	58	......	3	†5.26
48	35	Do. 4pc Mixed Ass.	42	......	2	†4.88
32	30	Hung. '24 Ass.	32	......	4½	†9.02
55	43¼	Iceland 6½pc '83-88	47xd	......	6½	16.90
74	68¼	Ireland 7¼pc '81-83	71	......	7¼	15.40
77	60	Do. 9⅛pc '91-96	63½	......	9¼	16.47
253	165	Japan 4pc '10 Ass.	248xd	......	—	—
71½	48	Do. 6pc '83-88	61	......	6	12.90
163	125	Peru Ass. 3pc	145	......	3	2.08
19	17½	Romanian 4pc C's	18½#	......	4	2.15
$74	$67	S.G.I. 6½pc 1980	$73	......	6½	8.90
$95	$91	Turin 9pc 1991	$93	......	9	9.68
DM84	DM82	Turin 6½pc 1984	DM84	......	6½	9.55
71	62	Uruguay 3½pc	62	......	3½	7.02

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

1976 High	1976 low	Stock	£	+ or −	Div. Gross	C'vr	Y'ld Gr's
27⅝	10⅞	ASA	18¾	−⅛	80c	—	2.7
50	45	AMF 5% Conv. '87	50	......	5%	—	£5.6
54	35	Amax $1	45⅝	−1⅛	$1.75	—	2.4
50½	31	Baker Intnl. Corp. $1	41¾xd	......	46c	—	0.7
16⅝	8⅞	Barnes Grp. $6⅔	14⅞xd	−¼	h80c	—	3.4
19½	12¾	Bell & Howell $	14⅞	−⅛	84c	—	3.6
38¼	26	Bendix Corp. $5	37xd	−¼	$2.00	—	3.4
38¼	25⅝	Beth. Steel $8	32¼	−¼	$2.00	—	3.8
669p	459p	Brown'g Fer. c16⅔	659p	+24	20c	—	1.9
15¾	858p	Brunswick Corpn.$	12⅞	−⅛	50c	—	2.4
89	67¼	Burroughs Corp. $5	75⅛	−1	68c	—	0.6
54⅝	36⅝	CBS $2.50	48⅞	+⅛	$2.00	—	2.6
40	32	C.P.C. $½	38	......	$2.30	—	3.8
30¼	19⅛	Carborundum $1.50	28⅛	+⅛	$1.12	—	2.5
52	36⅞	Caterpillar $	46¾	−⅛	h$1.50	—	2.0
24	14¼	Champion Int. Inc.	22	−⅛	$1.00	—	2.8
27	20⅞	Chase M'htn.$12.5	23½	......	$2.20	—	5.8
26⅝	19	Chesebrough $1	21¾xd	−⅛	76c	—	2.2
19⅝	788p	Chrysler $6¼	15¾	−⅛	30c	—	1.2
31½	22⅞	Citicorp $4	26⅜	−⅛	96c	—	2.3
11¾	539p	City Inv. $1.25	11¼	−⅛	66c	—	3.7
21⅞	12¾	Do. Cm. Prf. B $1	21½	......	$2	—	5.8
40½	19¼	Colgate-P. $1	22⅛	+⅛	88c	—	2.5
46¼	22¼	Colt Inds. $1	41⅞	−⅛	$2.50	—	3.7
46¾	28⅝	Cont. Illinois $10	46¾	+⅛	$2.40	—	3.2
38⅝	22	Cont. Oil $5	31⅛	......	$1.20	—	2.4
38⅝	26¾	Crown Zell. $5	36⅞xd	−⅛	$1.80	—	3.1
32¾	21⅛	Cutler-Hammer $5	31½	+⅛	$1.80	—	3.6
39⅝	23¼	Eaton Crp. $0.50	34⅜	+⅛	$2.00	—	3.6
51⅝	31⅞	Exxon $	42¾	−⅛	$2.80	—	4.1
22⅛	17	Firestone Tire $	19⅝	......	$1.10	—	3.5
19¾	14	First Chicago $5	17¼	+⅛	96c	—	3.4
38¼	23½	Fluor Corp. $⅝	30⅝	−⅛	80c	—	1.7
55½	35	Ford Motor $2½	47½	−⅛	$3.20	—	4.2
27⅝	20⅝	GATX	24⅞	−½	$1.80	—	4.5
51½	36⅞	Gen. Elect. $2½	42⅝	−⅛	$1.60	—	2.4
30⅝	21	Gillette $1	22⅛xd	−⅛	$1.50	—	4.2
45	26⅛	Honeywell $1.50	37⅞xd	......	$1.60	—	2.7
23⅛	11¼	Hutton (E.F.) $1	14⅜	+⅛	60c	—	2.6
263⅛	178¼	I.B.M. Corp. $5	226	−3	$9.0	—	2.5
79⅝	55⅝	Ingersoll-R $2	62	......	$2.68	—	2.7
27⅝	19⅞	Int. Systems & Con. $1	24⅛xd	......	25c	—	0.6
11½	872p	I. U. International$	879p	+7	90c	—	6.4
34⅞	22	Kaiser Al. $⅓	26½	−⅞	$1.20	—	2.8
33¾	23⅛	Manf. Han. US$7.50	31⅛	−⅛	$1.80	—	3.6
53½	40¼	Morgan (JP) US$2.5	46	−⅛	$2.00	—	2.7
21⅛	14⅝	Norton Simon Inc. $1	16⅞	−⅛	60c	—	2.2
54⅝	41⅛	Owens-Ill. $3 125	45⅞	−⅛	$1.88	—	2.6
23	17½	Quaker Oats US$5	19½	−⅛	9.2c	—	2.9
16⅞	891p	Reliance $0.25	16¼	−⅛	—	—	—
22⅝	14⅞	Rep. N.Y. Corp. $5	20½	......	88c	—	2.7
33	16½	Rexnord $5	27⅞	−⅛	$1.32	—	2.9
24⅞	16⅞	Richdsn.-Mrrll. $1¼	20½	+⅛	70c	—	2.1
369p	235p	Saul (B.F.) $10	335p	+9	—	—	—
68¼	34¾	Shell Oil $1	64	+½	$3.00	—	2.9
20⅞	705p	Singer ($10)	14¼	−⅛	—	—	—
45¼	31¼	Sperry Rand $0.50	36⅝	−¼	92c	—	1.6
32⅝	21¼	TRW Inc. $1¼	28⅝	+⅛	$1.40	—	3.1
31½	21¼	Tenneco Inc.	29	+⅛	$1.86	—	£7.5
148½	113½	Do. 10% Ln. Stk. 91-95	138	+½	10%	—	£7.5
14⅞	10¾	Tesoro Pt. US$0.16⅔	13	+⅛	$1.00	—	4.8
26⅛	18	Texaco $6.25	22⅛	−⅛	$2	—	5.6
12¼	649p	Transamerica $1	11½	......	66c	—	3.6
49	34¾	U.S. Steel $30	40⅞	−⅛	$3.30	—	5.1
13⅝	788p	UOP $1	11⅛	......	50c	—	—
25¼	13⅝	Vetco Inds. $0.50	16¾	−⅛	—	—	—
22¼	16⅞	Woolworths $3½	20	−⅛	$1.20	—	3.8
61¾	40	Xerox Corp. $1	48⅛xd	−1⅛	$1.20	—	1.5
13	864p	Zapata Corp. 25c	10⅜	−⅛	s30c	—	1.8

S.E. List Premium 39¼% (based on $US1.6712 per £)

Conversion factor 0.7165 (0.7141)

CANADIANS

1976 High	1976 low	Stock	£	+ or −	Div. Gross	C'vr	Y'ld Gr's
14¾	10½	Bk. Montreal $2	11⅞	......	$1.00	—	5.2
40½	29 5/16	Bk. Nova Scot. $2	32½	......	$1.72	—	3.1
46¾	33¼	Bell Canada 25c	38¾	......	$3.72	—	5.6
23⅝	12	Bow Valley$	17⅛	+⅝	10c	—	0.3
10	780p	Brascan$	960p	−10	s$1.00	—	6.1
29 3/16	18 13/16	Can. Imp. Bk. $2	20 1/16	+1/16	$1.40	—	4.1
16⅞	10⅞	Can. Pacific $5	12⅞	−1/16	84½c	—	4.0
29⅝	25 5/16	Do. 4pc Deb. £100	25⅞	+½	4%	—	15.5
37⅞	17½	Gulf Oil Can.$	18	......	$1.00	—	3.3
670p	350p	Hawker Sid. Can.$	350p	......	36c	—	6.0
33	21	Hollinger $5	22½	......	$1.80	—	4.7
18	10 13/16	Hudson's Bay $	11½	−⅛	60c	—	3.1
34⅝	25½	Hud. B. Oil G. $2½	27	+¼	$1.60	—	3.5
22¼	15	Imperial Oil$	15½	+⅛	86.4c	—	3.3
31½	19½	Inco	24½	−⅛	$1.40	—	3.3
920p	660p	Int. Nat. Gas $1	740p	......	80c	—	6.4
25½	16	Massey Ferg.$	18½	......	$1.00	—	3.2
27⅝	20¼	Pacific Pet. $1	20¼	−½	86.4c	—	2.5
381½p	24p	Place Gas $1	27½p	......	—	—	—
30¼	21½	Rio Algom	21⅞	−⅛	$1.00	—	2.7
27¼	18⅞	Royal Bk. Can. $2	19 5/16	−⅛	$1.32	—	4.1
28 1/16	16½	Seagram Co. C$1	18¼	......	86.4c	—	2.8
18 13/16	13 1/16	Tor. Dom. Bk. $1	14 5/16	+1/16	74c	—	2.9
11⅞	850p	Trans Can. Pipe $3½c	10⅛	......	45c	—	5.5

S.E. List Premium 39¼% (based on $1.7102 per £)

BANKS AND HIRE PURCHASE

1976 High	1976 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
390	251	ANZ $A1	297	......	†Q14.9	—	3.2	—
250	125	Alexanders D. £1	180	−6	11.67	—	10.0	—
£110	£80	Algemene Fl.100	£98	+2½	†Q21%	2.6	5.3	10.1
490	235	Allen Harvey £1	350	+10	25.0	—	11.0	—
128	76	Allied Irish	82xd	......	†Q6.89	—	8.4	—
195	90	Arbuthnot L. £1	105	......	8.28	—	12.6	—
£23⅞	£16⅝	Bank Amer. $1.565	£23⅞	+2⅛	Q80c	—	2.1	—
350	210	Bk. Ireland £1	225xd	......	†12.5	—	10.6	—
£148	80	Do. 10pc Conv.	£93	......	Q10%	—	10.9	—
22	17½	Bk. Leumi AI£1	22	......	Q16%	—	6.0	—
220	200	Bk. Leumi (UK) £1	208	−2	7.25	—	5.4	—
610	415	Bk. N.S.W. $A2	445	−10	Q29c	—	4.1	—
325	180	Bank Scotland £1	208	−2	†8.87	4.0	6.6	5.9
£32¼	£23¼	Bankers N.Y. $10	£29¼	+1¼	Q$3.00	—	6.3	—
350	190	Barclays £1	225	......	†8.99	4.7	6.2	5.4
45	20	Bates (Edward)	20#	......	—	—	—	—
135	95	Brown Shipley £1	100xd	......	g7.75	—	11.9	—
292	155	Cater Ryder £1	205	......	15.73	—	11.8	—
75	40	Clive Discnt. 20p	60	−1	3.8	—	9.7	—
305	200	Com. Bk. Aus. ($A1)	232	+2	†Q14%	—	3.9	—
£14	£10¾	Com'zbk. DM104	£13⅝	+⅛	†Q18%	—	3.5	—
£27	£16	Chr. Hbk. Kr100	£18¾	+2¼	Q11%	—	6.3	—
11	4	Corinthian 10p	6	......	—	—	—	—
£31½	£14½	Cred. France F75	£17	+1½	Q9.7%	—	7.2	—
83	60	Dawes (G. R.)	60	......	5.77	2.6	14.8	4.1
23½	8	Dawnay Day	11	+½	0.5	—	7.3	—
£108	£86	Deutsche Bank DM50	£99½	−1½	Q20%	—	2.0	—
48	17	F.C. Finance	20	......	1.5	2.0	11.5	6.8
3½	1	First Nat. 10p	1¼	......	—	—	—	—
½	¼	Do. Wrrts. 75-83	¼	......	—	—	—	—
14½	6½	Fraser Ans. 10p	8½	......	0.03	—	0.5	—
157	85	Gerrard Natnl.	122	+2	b6.65	—	8.4	—
58	28	Gibbs (A.)	30	......	†2.79	—	9.2	—
228	120	Gillett Bros. £1	157	+2	13.0	—	12.7	—
29	12	Goode D't Mry. 5p	12	−1	0.79	1.4	10.1	10.6
54	30	Grindlays	48	......	20.5	—	1.6	—
210	110	Guinness Peat	140	+2	8.27	—	9.1	—
234	102	Hambros	120xd	......	g8.52	—	10.9	—
131	54	Hill Samuel	64	......	†3.88	—	9.3	—
£16	337	Do. Warrants	475	......	—	—	—	—
353	278	Hong Shng. $2.50	320	−1	†Q58c	—	2.4	—
82	42	Jessel Toynbee	67	−2	4.16	—	9.5	—
225	95	Joseph (Leo) £1	110xd	+10	7.01	—	9.8	—
54	16	Keyser Ullmann	20	......	0.1	—	0.8	—
62	26	King & Shax 20p	50	+1	g3.03	—	9.3	—
128	61	Kleinwort B.L.	64	......	†3.46	—	8.3	—
266	155	Lloyds £1	180	−2	17.4	4.4	6.3	5.5
40	27	Manson Fin. 20p	34	+1	3.25	1.1	14.7	9.7
147	65	Mercury Secs.	76	......	3.03	—	6.1	—
320	200	Midland £1	225	......	11.47	2.9	7.8	6.8
£84½	£56½	Do. 7¼% 83-93	£62½	+½	Q7½%	15.0	12.1	—
£82	£66¼	Do. 10¼% 93-98	£68½	......	Q10¼%	15.0	e16.1	—
63	32	Minster Assets	36	......	†3.24	2.5	13.9	4.9
298	195	Nat. Bk. Aust. $A1	215	+9	Q14c	—	4.0	—
87	48	Nat. Com. Grp.	53	......	2.36	◆	7.0	◆
272	168	Nat. West. £1	195	......	t10.26	4.2	8.1	5.2
405	210	Schroders £1	260	......	9.31	—	5.5	—
295	170	Seccombe MC £1	230xd	+20	g15.2	—	10.2	—
31	7	Slater Walker	7	......	B—	—	—	—
75	35	Smith St. Aub.	55	+2	4.08	—	11.4	—
494	280	Stand'd Chart £1	283	......	†15.75	2.9	8.8	4.8
57¼	35¼	Trade Dev. $1.50	57	......	Q44c	3.0	6.3	5.3
62	31	Tst. Bk. Afr. 50c	33	......	Q14%	2.8	15.3	2.8
385	200	Union Disc £1	273	+1	17.16	—	9.7	—
30	11	U.D.T.	11	......	B—	—	—	—
£22¼	£11¼	Wells Fargo $5	£20⅝	+⅝	Q$1.0	—	3.0	—
58	35	Wintrust 20p	36	......	2.98	◆	12.8	◆

Hire Purchase, etc.

18	8	Brit. Debt Ser. 10p	8#	......	—	—	—	—
28	15	Cattle's (Hldgs.) 10p	17	+1	0.94	3.2	8.5	5.7
£92	£35	Cie B'cre Fr 100	£49½	+1½	tQ12%	—	3.1	—
95	33	Lloyds & Scot. 20p	51	+1	3.23	1.9	9.7	8.5
26	13	Lnd. Scot. Fin. 10p	16	......	1.7	1.9	16.3	5.0
85	39	Prov. Financial	45	......	†3.97	1.5	13.6	7.6
21	10	Strlg. Credit 10p	13½	......	1.63	1.2	18.6	(7.6)
63	26	Wagon Finance	35	......	3.0	2.2	13.2	5.2

BEERS, WINES AND SPIRITS

77	45	Allied Brews.	57	−½	t3.52	1.7	9.5	10.2
32	17	Amal. Dist. Pr. 10p	17	......	1.95	1.8	17.6	9.0
114	66	Bass Char'gton	81	......	4.33	◆	8.6	◆
158	106	Bell Arthur 50p	148	+2	†5.56	3.6	5.8	7.1
106	73½	Boddingtons	86	+2	t3.5	4.1	6.3	11.0
75	50	Brown (Matthew)	64	−1	3.51	◆	8.8	◆
34	24½	Buckley's Brew.	30	+1	61.62	3.1	8.4	5.8
108	75	Bulmer (H.P.)	84	+2	2.89	4.2	5.3	6.8
77	58	Burtonwood	72	......	2.77	3.9	6.2	6.4
52	29	City Lon. Def.	35	......	†2.1	1.1	9.4	15.3
72	50	Clark (Matthew)	55	−1	4.65	2.8	13.0	4.3
158	95½	Distillers 50p	115½	+½	5.85	2.1	7.8	9.6
16	10½	Ellis (Richm'd) 5p	14	+1	1.1	1.3	12.1	10.1
208	172	Glenlivet	190	......	†3.6	4.2	2.9	12.5
30	16	Gordon (L.) 10p	19	......	0.5	3.0	4.2	12.5
44	18	Gough Bros. 20p	24	......	2.8	1.2	18.0	7.4
66	41	Greenall Whitley	51	......	†2.13	2.8	6.4	8.5
174	128½	Greene King	147	+7	5.85	2.8	6.1	8.8
150	93	Guinness	113	......	†5.71	2.9	7.8	5.6
123	78	Highl'd Dist. 20p	98	+4	5.2	1.9	8.1	10.0
39	27	Invergordon	37xd	+1	†1.84	2.4	7.7	8.4
68	36	Irish Distillers	37	−1	Q3.25	◆	9.2	◆
110	75	Macallan Glen.	110	+5	4.12	1.7	5.8	15.5
310	250	Morland £1	265	+10	11.15	◆	6.7	◆
50	33	Sandeman	45	+3	2.31	2.0	7.9	13.0
65	37	Scott & New 20p	47½	+2	2.77	2.0	9.0	8.6
400	200	Teach'n Dist 50p	390	......	†9.75	3.7	3.8	10.7
163	78	Tollemache & C. 50p	135	......	3.73	2.0	4.3	17.9
61	35	Tomatin	43	......	2.44	1.6	8.7	10.9
295	193	Vaux £1	212	+5	14.03	2.1	10.2	7.0
75	47	Whitbread 'A'	60	+2	†3.2	2.3	8.2	8.1
141	95	Wolv. Dudley	103	+4	†4.67	2.6	7.0	8.3

BUILDING INDUSTRY, TIMBER AND ROADS

85	39	Aberdeen Const.	43	+2	†3.75	4.6	13.4	2.5
116	70	Aberthaw Cem.	74	−2	5.5	3.4	12.4	3.6
24	12	Allied Plant 10p	14xc	−1	g0.36	4.5	3.9	6.6
77	35½	Armitage Shnks.	35½	−5½	4.2	1.3	19.3	6.2
202	112	A.P. Cement £1	132	+5	†7.6	3.0	8.9	5.8
32	16	BCA 20p	16	......	2.03	1.6	19.5	5.0
174	86	BPB Inds. 50p	95xd	+1	†6.21	3.8	10.0	4.0
£111	£58	Do. 7¾pc Conv.	£62	+1	Q7¾%	5.2	12.9	—
31	18	Baggeridge Brk.	18	......	1.9	1.4	16.2	6.7
14	7	Bailey Ben 10p	8	......	0.81	2.2	15.7	4.4
30	20	Bainbridge 10p	23	......	†1.41	2.5	9.6	4.1
52	22	Bambergers	28	......	g2.86	2.3	16.6	4.4
130	39	Barratt Dev. 10p	47	+1	6.56	2.6	21.3	2.8
66	25	Beaver Group	28	+1	d2.53	2.1	13.9	5.2
21½	15½	Beechwood 10p	16	......	1.66	2.4	16.0	4.0
25	11½	Benfield & L. 20p	17½	......	t0.75	—	—	—
57	35	Benford M. 10p	42	......	†2.22	3.0	8.1	4.1
45	24	Bett Bros. 20p	28	......	†hd1.38	3.8	7.6	5.2
64	35	Blockleys 20p	35	......	†3.1	3.3	13.6	3.4
58	33	Blundell Perm.	38	......	g2.6	2.9	10.5	5.6
89	45	Breedon Lime	52	......	5.31	2.1	15.7	4.6
23	15	Brit. Dredging	21xd	......	20.3	—	—	—
57	34	Brown Jksn. 20p	37	......	4.1	3.1	17.0	2.9
42	31	Brownlee	38½	+1½	t2.13	3.2	8.6	6.3
28	13	Bryant Hldgs.	15	......	2.02	2.3	20.8	3.2
71	52	Burnett & H.	56	......	2.32	7.9	6.4	2.7
21	14	Burns Ands'n 10p	16½	+½	1.3	2.7	12.1	4.6
165	128	Burt Boulton £1	130	......	d7.7	—	9.1	—
20	16	C. Robey 'A' 10p	17	......	†1.38	3.0	12.5	4.1
18	14	Cal'nder (GM) 10p	16	......	†1.1	2.7	10.6	5.3
43	26	Carr (John)	26	......	1.64	◆	10.1	◆
80	38	Carron	40	......	3.58	1.7	13.8	6.7
75½	45	Cement Roadstone	48	+½	tQ5.5	2.2	11.5	6.0
21	9	Comben Gp. 10p	12xd	......	1.45	2.3	18.6	3.6
67	36	Concrete	36	−1	t3.15	2.7	13.4	4.3
163	104	Costain R.	117	+5	g3.10	6.5	4.1	5.9
70	40	Crossley Bldg.	41	......	t3.76	2.2	14.1	4.8
54	33	Crouch (D.) 20p	46½	......	†d3.21	2.8	10.6	5.1
38	22	Crouch Group	22	−2	d2.68	2.4	18.8	3.4
102	52	Dew (G.)	64	−2	t5.0	3.7	10.9	3.8
74	43	Douglas Robt. M.	44	......	d3.47	4.0	12.1	3.2
152	98	D'wning G.H. 50p	104	−4	9.29	2.7	13.7	4.1
34½	26½	Econa 10p	26½	......	1.86	3.8	10.8	3.7
120	57	Ellis & Everard	59	......	5.0	1.0	13.0	11.5
87	48	Erith	48	......	†4.51	2.1	14.5	5.0
13	6½	F.P.A. Const'n	6½	......	20.5	—	11.8	—
219	128	Fairclough (L.)	146	+6	†8.25	3.7	8.3	4.7
68	21	Fairview Ests. 10p	21	−2	5.06	2.0	37.0	2.1
23	9½	Feb. Intl. 10p	11	......	d1.43	1.7	20.0	4.6
22	9	Do. 'A' 10p	11	......	d1.43	1.7	20.0	4.6
34	10	Fed. Land & Bld.	10	......	†1.14	2.6	17.5	3.4
30	9	Finlan John 10p	12	......	—	—	—	—
15	4	Francis Pkr. 10p	4½	......	‡0.5	—	‡	—
32	25	Francis (G.R.) 10p	30	......	3.17	1.4	16.2	6.9
17	7	French Kier	15	......	0.05	—	0.5	—
48	28	Galliford Br. 5p	32	......	2.75	3.0	13.2	3.8
20	14	Gibbs D'dy A 10p	15	......	1.48	2.0	15.2	4.9
29	16	Gleeson (M.J.) 10p	18½	......	1.65	◆	14.5	◆
62	34	Glossop W. & J.	34	−1	†3.07	2.9	13.9	3.8
87	29	G'gh Cooper 20p	31	−1	5.2	1.6	25.8	3.7
19	3	Greaves Org. 10p	4½#	......	—	—	—	16.9
43	21	H.A.T. Grp. 10p	24	......	t1.79	4.1	12.0	3.1
21	14	Harrison J. 10p	18	......	1.54	2.8	13.2	4.2
35	19	Helical Bar	26	......	2.0	0.9	11.8	13.8
56	32	Hend'sn. 'A' 10p	43	+1	t3.9	3.7	14.0	3.3
150	90	Henderson (J. W.)	90	......	g7.43	2.8	12.7	4.8
49	23	Hewden St. 10p	25	......	†1.43	4.4	9.0	3.6
£150	£80	Do. 7pc Conv.	£80	......	Q7%	62.5	19.1	—
37	16	Heywd. Wm. 50p	18	......	—	—	—	—
57	29	Higgs & Hill	33	......	g3.07	4.6	14.3	2.6
37	27	Hoveringham	28	......	†1.69	2.9	9.3	5.8
32	15	Do. Res. Vtg.	18	......	†1.69	2.9	14.5	3.7
27½	16	Howard Shut 10p	17	......	1.4	4.4	12.7	2.7
115	71	I.D.C. 20p	71	......	†d7.6	2.5	16.5	3.7
101	65	Ibstock Johnsen	66	......	t5.5	3.8	12.8	3.5
370	220	Int. Paint £1	280	......	†8.87	5.9	4.9	3.8
116	57	Int. Timber	68	......	5.64	0.3	12.8	34.5

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الاصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

For Bandanga Hldgs. see Purbeck Grp.

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
710	250	Blyvoor 25	380	...	Q75c	1.6	14.3
£14	440	Buffels R1	710	+5	†Q125c	1.6	‡
*140	70	Deelkraal R0.20	88	−2	—	—	—
760	125	Doornfontein R1	260	+5	Q55c	2.2	15.3
965	330	East Drie R1	640	−5	Q75c	1.7	8.5
280	122	Elandsrand Gld. 20c	170	...	—	—	—
190	44	Elsburg R1	100	−3	Q9½c	ϕ	‡
£16½	520	Hartebeest R1	£10⅝	−⅛	†Q190c	1.3	‡
695	260	Kloof Gold R1	440	−10	Q47c	1.5	7.7
760	140	Libanon R1	320	...	Q60c	2.0	18.1
740	230	Southvaal 50c	370	−15	Q8c	1.3	1.6
245	92	Stilfontein 50c	160	...	Q22c	ϕ	‡
£20¾	700	Vaal Reefs 50c	£11⅛	−¼	†Q175c	2.1	‡
420	48	Venterspost R1	170	...	Q25c	3.6	10.6
£35	£11¼	W. Drie R1	£20¼	+¼	Q335c	1.5	12.0
315	68	Western Areas R1	163	+2	†Q52c	1.4	‡
£15¼	480	Western Deep R2	800	−10	[illegible]	1.6	‡
290	100	Zandpan R1	188	+2	†Q31½c	1.0	‡

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
170	60	Free State Dev. 50c	115	...	Q9c	0.6	5.7
£22½	715	F.S. Geduld 50c	£11½	...	Q200c	ϕ	12.6
200	50	F.S. Saaiplaas R1	96	+4	6c	2.6	4.5
465	170	Harmony 50c	305	−5	†Q65c	1.9	‡
195	38	Loraine R1	84	−4	Q6c	0.5	5.2
£18½	600	Pres. Brand 50c	962	−13	Q170c	ϕ	12.8
£13	395	Pres. Steyn 50c	755	−15	Q45c	ϕ	4.3
£23⅛	750	St. Helena R1	£12¾	−⅛	Q170c	ϕ	10.0
174	70	Unisel	134	−1	—	—	—
330	125	Welkom 50c	178	−7	Q15c	ϕ	6.1
£25½	950	W. Holdings 50c	£14¼	−⅝	Q310c	ϕ	15.7

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
85	35	Botswana RST P2	40	[illegible]	[illegible]	[illegible]	[illegible]
335	155	Messina R0.50	175	−5	Q45c	ϕ	19.9

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
20	8	Burma Mines 17½p	9	......	0.1	ϕ	1.8
35½	15½	Charterhall 5p	22	......	—	—	—
990	550	Cons. Murch. 10c	600	....	Q140c	ϕ	16.2
440	245	Northgate C$1	380	−20	—	—	—
239	132	R.T.Z.	147	−1	5.96	2.1	6.2
112	55	Sabina Inds. C$1	64	+2	—	—	—
£15⅞	£10	Tara Explm. $1	£12½	+½	—	—	—
45	32½	Tehidy Minerals 10p	32½	...	th1.08	ϕ	5.1
145	84	Yukon Cons. C$1	117	+5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- △ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated
- § Forecast dividend, cover on earnings updated by latest interim statement.
- : Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✣ Regional price.
- ǁ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 21

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Thursday December 9 1976

Options trading scheme shelved

BY MARGARET REID

THE STOCK Exchange Council has decided to shelve the controversial £1m. scheme for a traded share options market in London of the kind run by the Chicago Board Options Exchange in the U.S.

It approved the scheme in principle in the summer.

The council's decision, conveyed to stock market concerns in a letter from Mr. Nicholas Goodison, the exchange's chairman, is scarcely a surprise. It emerged in recent weeks that the scheme could not go ahead without an alteration in the Exchange's constitution. This would have needed the approval of three-quarters of the exchange's membership voting in a poll, a majority which has seemed improbable.

Interest among the investing institutions has been very limited.

Work will, however, go ahead on possible arrangements for options in British shares to be traded on the options exchange which is proposed in Amsterdam and which was originally envisaged as a joint enterprise with London.

The possibility of participation by members of the British stock exchange in the planned Amsterdam venture will also be studied.

Dr. Lubbertus Scholten, joint secretary of the Amsterdam Stock Exchange, said in October that if the British options market did not go ahead they would welcome British stock exchange members in the Amsterdam options market and the trading of options in British shares there.

The London Stock Exchange said last night it had become clear that separate authorisation under the Prevention of Fraud (Investments) Act would have been needed for an options market.

"The council would have been willing ot permit the establishment of a market in traded options providing it did not need separate authorisation and was adequately regulated under the Stock Exchange's existing regulatory powers."

But the council was no longer convinced that necessary clearances could be achieved in a reasonable time. It was "not prepared to incur the expense of a prolonged delay while an application for separate recognition, in to-day's uncertain financial and political environment, is processed."

Under a traded options system investors can not only buy options to purchase shares in the future at pre-fixed prices, but can deal in the options themselves.

Apart from the difficulties over approval, and doubts about the demand for the additional service, there have been fears that an options market might be open to the objection that it would lend an undesirable casino flavour to the Stock Exchange.

Buchanan-Smith out of Shadow Cabinet

BY RICHARD EVANS, LOBBY EDITOR

MR. ALICK BUCHANAN-SMITH, Shadow Scottish Secretary, resigned last night from the Shadow Cabinet in protest at the Conservative Party's opposition to the Government's Scotland and Wales Bill.

After a meeting of the Shadow Cabinet at Westminster, when he was presented with an ultimatum—Mr. Buchanan-Smith decided he could not remain on the Tory front bench and vote against the Bill devolving powers to assemblies in Edinburgh and Cardiff.

Mrs. Margaret Thatcher, the Conservative leader had tried to preserve the unity of her Shadow Cabinet over the divisive issue of devolution by issuing a statement emphasising a continuing commitment to a directly elected Scottish Assembly.

The purpose was to persuade the pro - devolution Mr. Buchanan-Smith to accept that the Conservative Party stands for the principle of devolution, and to vote with his colleagues against the terms for devolution outlined in the Government's Bill.

Mr. Buchanan-Smith, who has become increasingly isolated in the Shadow Cabinet, had to decide whether to stay on the basis of the formula worked out by Mrs. Thatcher, or to return to the back benches, where he will be able to defy the party line.

It was considered intolerable by the Opposition Whips that the party's chief Scottish spokesman should remain in the Shadow Cabinet and defy the party's three-line whip against the second reading of the Scotland and Wales Bill next week.

The Shadow Cabinet statement was essentially a cosmetic formula for giving any pro-devolution MP an excuse for returning to the party fold. It made no change in party policy but restated the present position.

The statement repeated pledges made by Mrs. Thatcher in Perth last May that the Tories would oppose any Bill based on the Government's White Paper and that it remained Party policy that there should be a directly-elected Scottish Assembly.

"The Government's Bill does not depart materially from its White Paper. Therefore we shall carry out our first pledge by voting against it.

"We do so because we oppose the method of devolution proposed in it.

"Our belief in the principle of devolution and the need for a directly-elected Assembly for Scotland, as expressed in our second pledge, remains unaltered."

Mr. Roy Jenkins yesterday warned that unless Parliament got the devolution formula right, there was a danger of a long-running constitutional battle with Scotland along the lines of the Irish Home Rule conflict.

Mr. Jenkins, who becomes President of the European Commission on January 1, told a Parliamentary Press Gallery lunch that he had come "slowly and reluctantly but firmly" to the conclusion that devolution was desirable.

He also dropped a broad hint that he might seek to return to British politics when his four-year term in Brussels ends.

BBC may seek £25 licence for colour

BY ARTHUR SANDLES

FEARS THAT the television colour licence might go as high as £30 receded yesterday after the BBC reported that its financial year had been more successful than thought likely at one time.

The indications now are that the Corporation will seek a fee from the Government of £24 to £25 for the years 1977-79, compared with the present £18 for colour and £8 for a black-and-white set.

Although its chairman, Sir Michael Swann, is still being cautious about the fee he will be seeking from the Home Office during negotiations which have just opened, it is clear that the once-popular estimate of £27 is now regarded, even within the Corporation, as too high.

"I would say that would be a fairly large increase," Sir Michael said yesterday.

The BBC hopes to end the current financial year with a deficit below £20m., compared with earlier predictions that it would be close to its £30m. borrowing limit. The trend is for the deficit to range between £18m.-£20m.

The report and accounts for 1975-76, published yesterday, show that the BBC had a deficit of £6.36m. at the end of the year compared with £18.75m. a year earlier. Behind this improvement is the fact that the Corporation's economy drive has worked better and the Government's incomes policy has proved more effective than predicted.

Economies

In the annual report, Sir Michael says that the BBC, like the rest of the country, had been forced to economise last year. "Some of this will have been evident to our viewers and listeners—a reduction in the hours of broadcasting and a slowing down of our regional development.

"But most of the economies have been achieved behind the scenes and out of sight. Despite the lack of money we have fought to maintain the quality of our programmes, by determined efforts to increase our efficiency; efforts to which everyone in the Corporation has contributed.

"Next year is not likely to be any easier for us than 1976. Although we have kept going on licence fees that have risen by less than almost anything else, we cannot survive much longer without an increase."

The BBC had a net income last year of £215m. after the Post Office had taken a £21m. fee for collecting the licence money. From this, £132m. was spent on television, £52m. on radio, and £18m. on re-investment.

The negotiations over an increased fee are likely to be long and complicated, quite apart from its own estimates of costs over the next few years. The Corporation needs to hear Government views on future incomes policy and inflation prospects.

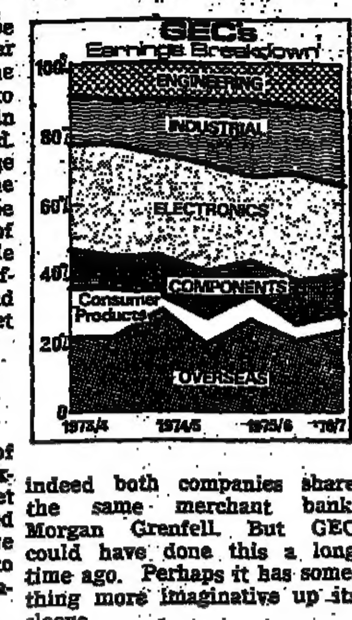
The BBC Charter officially ends in July, 1979, and any new licence agreement is unlikely to extend beyond that date. The hard bargaining will probably be in February and March of next year.

The BBC annual report and accounts for 1975-76 are combined with the BBC Handbook for 1977 in a full version priced £1.50, and a mass-circulation shorter version, called What's Auntie Been Up To? is available at 30p.

THE LEX COLUMN

GEC to unlock its treasure chest

There will inevitably be disappointment that the much preliminary work the Stock Exchange's plans to establish a London market in traded options have foundered. Legal obstacles are cited as the immediate cause. But the underlying problem looks to be that the limited numbers of enthusiasts have not been able to demonstrate that a sufficiently broadly based demand really exists for such a market in present conditions.



GEC

GEC's interim profits of £119.8m. beat the market's expectations but what really set the shares alight—they closed 17p better at 165p—was the news that the company is to announce a capital reorganisation next month.

GEC's concern for its shareholders is well known. In its last balance sheet it illustrated how the purchasing power of shareholders' dividends had dropped by 25 per cent. between 1969 and 1976 while average U.K. employees pre-tax earnings had risen by 16 per cent. Because of dividend restraint, GEC's shares yield a lowly 3 per cent. yet the company's cash balances have jumped by over £100m. during the last six months and now stand at £375m.—just under half the group's market capitalisation. ahead of the announcement. Though working capital and investment will absorb around £130m. this year net cash balances should comfortably top £400m. at the year-end.

The company is coy about its plans. At the moment it is merely saying that it wants the capital structure to "reflect more appropriately" the interests of shareholders in its industrial and financial assets, without limiting its flexibility with regard to capital investment.

The size of any distribution will be influenced by GEC's future capital investment plans and may also be constrained by political influences since a sizeable once-and-for-all cash distribution could cause repercussions at a time when the Government is calling for increased industrial investment.

As to the method, the simplest solution would be for GEC to liquidate part of its sizeable share premium account of £257m. Brent Walker showed the way a few months ago, and indeed both companies share the same merchant bank, Morgan Grenfell. But GEC could have done this a long time ago. Perhaps it has something more imaginative up its sleeve.

Bank of England

The Select Committee report on the Bank of England quotes the Deputy Governor, Sir Jasper Hollom, as saying that the Bank has been unable to find any new mechanism or techniques that are "worth pursuing" in seeking to improve the management of the gilt-edged market. It would be interesting to know if the events of the past few months (the evidence was given on April 26) have caused any changes of view.

The subsequent gilt-edged sales famine was largely responsible, after all, for the surge in the money supply which pushed the quarterly growth of M3 up to a peak of 27 per cent. on an annualised basis. And the sale of £600m. of a long tap stock on September 24 only days before a two-point jump in MLR, imposing large capital losses on the subscribers, can scarcely be described as an orderly way of running a market.

Perhaps the Bank would argue that more recent events have justified its policy: gilt-edged buyers have, after all, come back in droves. But the cost to confidence of large swings in interest rates is high, in industry as well as the City, and the report does not offer any evidence that the Bank has fully thought through the implications of entering a period of specific money supply targets. The main responsibility here, however, appears to lie with the Treasury.

Index rose 5.2 to 325.0

Pilkington

At £27.6m. pre-tax, Pilkington's first half profits are £2m. ahead of the second half of 1975-76 but below market expectations. Extra depreciation and a provision against losses in India add up to £5.9m., so the latest outturn is not quite as sluggish as it may seem. But trading is clearly getting more difficult in the U.K. with sales of £101m. comparing with £115m. in the preceding six months, and the group makes no bones about the prospect of a slow-down in activity generally.

Licensing income continues to grow with the trend of the past 18 months running at £8½m., £11¼m. and £14¼m. including £1m. of exchange benefits; and among the overseas trading divisions Australia is still moving well. But Canada is beginning to run out of steam. And at home declining activity in the construction industry is lowering demand for plate glass. Triplex (safety glass) has demand problems too, while in fibreglass, reinforcement is ahead but insulation only holding level.

Overall profits are probably going to get close to £60m. pre-tax this year, against £34.4m. last time and a market capitalisation of £165m. But considering earnings progress in 1977-78 is now open to some doubt; the shares eased 5p yesterday to 271p where the prospective yield is 8 per cent.

J. Lyons

J. Lyons' two latest disposals—the Wimpey franchise in the U.K. and Tetley of the U.S.—take asset sales since the beginning of November to over £50m. which represents perhaps a fifth of the current level of group borrowings. But the news comes right in front of to-day's interim results which will apparently contain enough relevant balance sheet figures to make market guesswork on this score largely obsolete. Combined, Wimpey and Tetley may have accounted for something like a sixth of Lyons' pre-interest profits of £29.1m. last year.

Many passengers 'overcharged in Europe air fare jungle'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MANY PASSENGERS are being overcharged in the present "jungle" of European air fares, and international airlines should introduce a much simpler, cheaper structure of charges, according to a report from the Airline Users' Committee yesterday.

The committee set up some time ago to act as a watchdog for the consumers' interests in civil aviation and to advise the Civil Aviation Authority on how to improve those interests, says in its report that the present fares structure is so "appallingly complex" and "irrational," that many passengers cannot, and do not know what fares they should be paying.

Thus, there are not only widespread opportunities for evasion and cheating, but even travel agents and the airlines themselves sometimes make mistakes.

The committee says that there is little real competition between European airlines, and it believes that as a result many passengers using normal economy-class fares are paying more than an efficient airline really needs to secure a reasonable profit.

The committee's report is likely to provide the Civil Aviation Authority with considerable ammunition in its present campaign to get European air fares down. The authority has called a public meeting for next January 12 and 13, at which it will take evidence from any interested parties on the present state of European air fares, with a view to trying to reduce them.

The authority's meeting, and the Airline Users' Committee's report, are likely to provide the European airlines with embarrassing evidence of the passengers' disquiet over the level of European air fares.

The report suggests a reformed European air fares structure, in which there should be only four types of fare:

1—Business class, corresponding to the present economy-class and using a block of seats in the lower-class cabin. The fares would be based on costs, which would involve a substantial reduction from present normal economy levels.

2—First-Class, with fares about double the business-class level, so as to reflect the better seating standards and achieve a reasonable profit.

3. Budget-class, to replace all existing promotional scheduled fares, with the prices varying according to season and time of service. This fare should be subject to special conditions designed to cut costs and protect seats for late-booking business traffic.

Profit margin

Any seats not sold in advance could be made available on an instant-purchase or stand-by basis, subject to other demands.

4. Wholesale rates to tour organisers, with seats being sold in bulk at production cost plus a profit margin, but net of nearly all marketing costs. These would be the cheapest seats, available only through tour organisers.

In its studies, the committee found that European fares varied widely between different geographical locations over similar distances. For example, it cost £21.70 more to fly to Naples (1,002 miles) than to Faro (1,067 miles).

In addition some routes had a multiplicity of fares — for example, on the London-Malaga route there were over 30 different rates, including six categories of discount fares.

Not surprisingly, the committee says, the public cannot know what fares they should be paying, and travel agents and even airlines frequently make mistakes.

The committee believes that its recommended fares structure would not only bring this confusion to an end, but would, by abolishing individual tour-basing fares, eliminate the greater part of the illicit business—estimated to amount to £40m.-£50m. a year in the London area alone—at present enjoyed by "bucket shops."

It believes that a fares structure where all fares are more closely related to costs can provide an urgent incentive for the airlines to reduce their costs.

More important, it foresees substantial reductions in fares for many passengers emerging from adoption of its proposals.

In its separate annual report, the Airline Users' Committee says it received fewer complaints from air travellers in 1975-76 than in the previous year, but it did not believe that these represented "a full picture of the shortcomings of the air transport industry from a consumer's point of view."

The committee feels that its terms of reference as a consumers' watchdog could be improved, and it is expected to make new proposals to this end in the near future. Meanwhile, it has argued against being made an adjunct of the proposed National Transport Consumer Council.

The committee intends to publish in the New Year two free booklets for airline users, one a general guide on ways to make air travel trouble-free, and the other practical advice for handicapped and elderly passengers.

Pensioners benefit from cash switch

By Peter Riddell, Economics Correspondent

THE redistribution of real disposable incomes in favour of pensioners, the lower-paid and women over the past two years at a time of falling national real incomes is highlighted in a Treasury report published yesterday.

The real value of married couple's retirement pensions has been uprated periodically to a level about 30 per cent. above its 1970 level. Meanwhile real take-home pay for the average worker has been falling steadily since early 1975. By the middle of this year it was about 9 per cent above its 1970 level.

The latest issue of the Treasury's monthly economic assessment points out that individual experience will have varied according to the level of pay, the family and tax position, overtime and the date of the last pay settlement.

The article shows how real personal disposable income (including income from self-employment, pensions and social security benefits as well as take-home pay) has diverged over the last couple of years from real national disposable income, which covers the total income available for spending determined by output and the terms of trade.

But, as the Treasury points out, "it is not possible to provide higher average personal incomes from a falling or static national income except temporarily and at the cost of heavy borrowing abroad. The fall in RPDI started early in 1975 as increases in prices caught up on earlier high pay increases. Since then RPDI has fallen while RNDI has this year shown a modest rise. These trends have some way to go, however, before the economy is in balance with RPDI at a level sustainable without dependence upon further external credits."

OPEC conference to start on December 15 as planned

BY RICHARD JOHNS

THE MINISTERIAL conference of the Organisation of Petroleum Exporting Countries at which the 1977 price will be determined will start on December 15 as scheduled.

This was confirmed yesterday in Doha, Qatar, where the meeting will take place. A postponement until December 20 had been considered to give delegates a chance to review the result of the final ministerial session of the Conference on International Economic Co-operation in Paris.

This was also planned for December 15 but is unlikely to take place before March. The two co-chairmen of the Paris meeting, Mr. Alan MacEachen of Canada and Dr. Manuel Perez Guerrero of Venezuela, are understood to be contacting the governments of the 27 countries taking part to arrange a new date for the final session in the spring.

Oil producers, in particular Saudi Arabia, had stressed that their decision on the price increase could be affected by the outcome of the Paris meeting. Key issues are the developing countries' demand for an improvement of their export earnings in real terms and relief of Third World indebtedness.

Saudi Arabia is reported to have said its moderate stance on the question of the anticipated oil price increases will not be affected by the delay. A possible compromise at the OPEC conference could be agreement on an initial, moderate rise from the beginning of next year and another unspecified to operate from mid-1977. The latter would be made conditional on the progress of the dialogue.

If the Paris ministerial session had convened next week as planned, there would have been virtually no chance of a compromise on these and other issues. The eight industrialised countries involved in the talks would then require more time to draw up new proposals. West Germany has reversed the oil producers' argument by urging that the group should await the OPEC decision before making any new offers.

One major justification for a postponement, which is recognised by the developing countries, is the change in the new U.S. Administration and the need for President-elect Jimmy Carter to be given time to formulate its policies. With the leadership crisis in Tokyo unresolved after the general election last week and Japan cannot be expected to make any firm commitments in the immediate future.

Editorial comment, Page 18

Queen inspects Royal train

THE QUEEN is to pay a private visit to British Rail's Wolverton workshops in Buckinghamshire to see progress on conversion work costing £600,000 on two carriages for the royal train.

The carriages were built in 1973 as prototypes for testing this standard Mark 3 coaches now used on Inter-City routes. They have been stripped down and refurbished to provide daytime and sleeping accommodation for the Queen and the Duke of Edinburgh during their Silver Jubilee travels around Britain.

Weather

U.K. TO-DAY

SHOWERY, with Snow on hills.

London, S., S.E. England, E. Anglia

Cloudy at first, then sunny spells, mainly dry. Wind moderate. Max. 7C (45F).

Midlands, E., N., N.E. England, Borders, Edinburgh, Dundee, Aberdeen

Frost at first, then sunny spells and showers. Wind moderate. Max. 7C (45F).

S.W. England, S. Wales

Sunny intervals, showers. Wind fresh. Max. 7C (45F).

N. Wales, N.W. England, Lakes, I. of Man, S.W. Scotland, Glasgow, Cent. Highlands, Moray Firth, N. Scotland, Argyll, Orkney, Shetland, N. Ireland

Frost at first then sunny intervals and showers, snow over high ground. Wind moderate or fresh. Max. 5C (41F).

Outlook: Unsettled and windy.

Lighting-up: London 16.21, Manchester 16.20, Glasgow 16.14, Belfast 16.28.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexandria	F	21	70	Madrid	C	12	54
Amsterdm.	C	8	46	Manchstr.	C	7	45
Athens	F	18	64	Melbourne	C	19	66
Barcelona	F	16	61	Mexico C.	S	20	68
Belfast	S	6	43	Milan	S	4	39
Belgrade	C	13	55	Montreal	C	−14	7
Berlin	R	5	41	Moscow	Sn	0	32
Birmghm.	C	8	46	Munich	F	7	45
Bristol	C	7	45	Newcastle	S	6	43
Brussels	F	8	46	New York	C	3	38
Budapest	F	11	52	Oslo	F	3	37
B. Aires	S	18	65	Paris	F	11	52
Cairo	S	20	68	Perth	C	24	75
Cardiff	R	7	45	Prague	R	6	43
Cologne	C	8	46	Reykjavik	S	−9	16
Copenhgn.	F	5	41	Rio de J'o	C	35	95
Dublin	S	6	43	Rome	F	17	63
Edinburgh	F	5	41	Singapore	C	29	88
Frankfurt	F	7	45	Stockholm	F	4	39
Geneva	C	9	48	Strasbourg	F	8	46
Glasgow	S	6	43	Sydney	C	35	95
Helsinki	Sl	1	34	Tehran	S	9	48
Hong Kong	S	15	59	Tel Aviv	F	20	68
Jo'burg	C	22	72	Tokyo	C	11	52
Lisbon	F	13	55	Toronto	S	−13	9
London	F	9	48	Vienna	R	8	46
Luxemb'g	C	6	43	Zurich	C	6	43

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	F	15	59	Jersey	C	10	50
Algiers	S	23	73	Las Plms.	S	21	70
Biarritz	F	14	57	Locarno	F	8	46
Blackpool	S	8	46	Majorca	S	19	66
Bordeaux	C	12	54	Malaga	F	20	68
Boulogne	F	8	46	Malta	S	19	66
Casablnca.	C	20	68	Nairobi	C	20	68
Cape Town	C	22	72	Naples	F	16	61
Corfu	C	17	63	Nassau	R	24	75
Faro	D	16	61	Nice	S	14	57
Florence	F	14	57	Oporto	C	14	57
Funchal	C	18	64	Rhodes	C	16	61
Gibraltar	F	19	66	Salzburg	C	7	45
Guernsey	C	10	50	Tangier	F	18	64
Innsbruck	F	7	45	Tenerife	S	19	66
Inverness	F	5	41	Tunis	F	20	68
I. of Man	R	7	45	Valencia	F	18	64
Istanbul	F	16	61	Venice	C	6	43

C—Cloudy. D—Drizzle. F—Fair. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Continued from Page 1

Iran defence deals

3—An undisclosed quantity of armoured recovery vehicles.

4—The payment for contract work at the naval base of Chah Bahar. Work was begun on this by Richard Costain earlier this year, but for some months little has been done pending a reassessment of the project.

Suggestions that Iran has singled out Britain as being unable to refuse crude oil sale counted here. Iran has taken the decision that it cannot afford to pay cash in advance as it has done in the past for defence weapons.

Furthermore, there is a conviction here that absorbing some of Iran's heavy import requirements can best be financed and bilateral trade with Western industrialised countries most effectively promoted by such purchase arrangements.

Iranians believe that the rush to purchase crude at the moment is merely stockpiling to hedge against a price increase in 1977 and that demand will inevitably fall in the New Year. Moreover, the State-owned National Iranian Oil Company now envisages a smaller and more limited recovery in the Western economies next year than originally predicted.

NIOC has secured virtually no long-term or even medium-term direct crude oil sale arrangements with the uncertain economic outlook and the need to maintain oil sales at the optimum level to pay for Iran's development, the hope is that big projects in the defence sector can be used as a means of securing medium and long-term crude outlets.

In this respect it is also possible that non-military projects could be included. There is a strong belief, although it has yet to be confirmed, that Iran may pay for some of its ambitious nuclear programme in this way. Discussions are said to have been held with the French on this.

Finally, Iranians who say that Britain is not being singled out point to the Shah's desire to finance the purchase of military aircraft from U.S. companies by such arrangements. On this front negotiations turned sour earlier this year, but there are did say that one purpose was to strengthen the country's national oil company in its drive to make direct sales.

Mr. Majidi said that he did not expect that barter deals would lead to Iran selling large additional quantities of oil, but he did say that one purpose was to strengthen the country's national oil company in its drive to make direct sales.

However, on his own figures Iran is likely to have about a million barrels of oil a day to spare next year out of a production capacity of 6.3m. b/d.

least of all in finding funds for defence projects, which had top priority.

He said that nations willing to conclude barter agreements with Iran for the purchase of oil against payment of military or civilian projects stood the best chance of obtaining a continuing flow of orders from Iran. This would follow from the close and friendly relations established.

signs of a renewed interest by General Dynamics and Litton Industries, manufacturers of the F-16 fighter.

David Housego adds: Mr. Abdol Majid Majidi, Iran's Planning Minister, denied in London that Iran had cash flow problems,

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